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Arab Times wishes a Happy New Year to all our readers

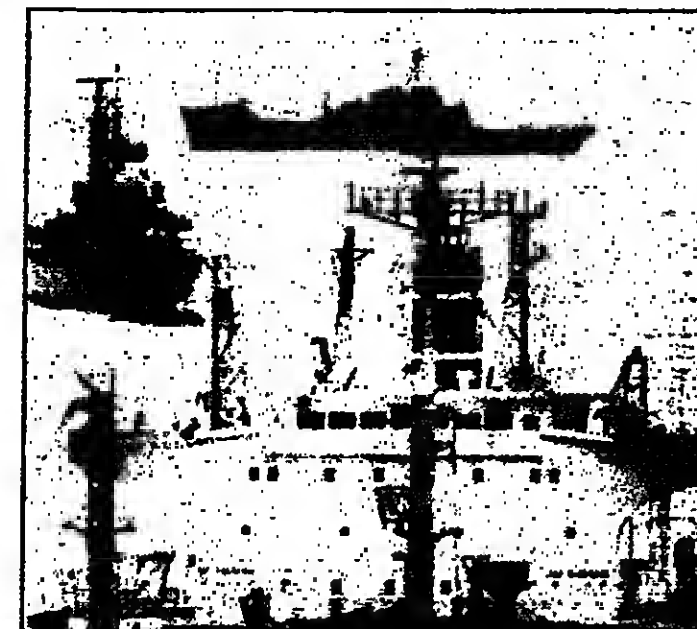
GCC peace effort UAE to negotiate with Iran on war

MUSCAT, Dec 30, (Agencies): The GCC summit which ended yesterday in Riyadh had chosen the UAE to negotiate with Iran on the Gulf war. Oman's Minister of State for Foreign Affairs Yousuf Bin Alawi said today.

Arab Times in an exclusive story from Riyadh first informed the world yesterday that the GCC will send an envoy to Tehran for talks on the Iraq-Iran war.

Al Alawi said: "The summit took a decision to negotiate with Iran." He also noted "Oman's good relations with Tehran."

In remarks to the state-owned daily newspaper Oman, carried by the official Oman News Agency today, he said the talks were "aimed at reducing tension and paving the way for international efforts for peace."



The British frigate York (middle) moves between the Panamanian 48,225-tonne tanker World Spring and an Iranian warship (background) which tried to intercept it on its way to the Strait of Hormuz in the southern Gulf yesterday. (Reuters wirephoto)

Israel weighs expulsions as another Palestinian dies

TEL AVIV, Dec 30, (Agencies): A 23rd Palestinian demonstrator died after being shot during recent anti-Israeli riots and Israel's inner cabinet met today to consider whether to carry out expulsions from occupied territories.

Mustafa Issa Al Beik, 17, who was shot in the head at Jabalya refugee camp in the Gaza Strip on Dec 21, died overnight at a hospital in southern Israel, the Israeli Army said — the first death since the disturbances eased a week ago.

Prime Minister Yitzhak Shamir summoned his 10-man inner cabinet to discuss whether to carry out expulsions from occupied territories in the face of objections from the United States, Israel's closest ally, Israel radio reported.

After the meeting, the ministers refused to talk to reporters. Shmuel Goren, Israeli coordinator in the West Bank and Gaza Strip, said a decision was pending.

Repeat

"The matter of expulsions isn't finished, isn't agreed," he said. "I'll just repeat what the defence minister said — that expulsions are one of the means we deploy to the fight against disturbances."

Israel says it detained 900 people during two weeks of disturbances in the Gaza Strip and West Bank.

Defence authorities want to expel about 50 Palestinian activists but a decision has been postponed because of political and judicial concerns, security sources said.

Washington opposes expulsions, partly in the interests of good relations with Israel's moderate neighbours, Egypt and Jordan. Israel has expelled Palestinians to Jordan in the past.

Capucci

PLO leader Yasser Arafat asked Archbishop Hilario Capucci yesterday to end a hunger strike he began eight days ago in protest at Israeli handling of unrest in occupied territories.

Officials at Rome's Arab League office, where the 63-year-old head of the Greek Catholic (Melkite) church in Jerusalem has been staging the protest, said Arafat had telephoned the clergyman with the request.

DAY BY DAY

WE said that this year there would be more flexibility, so the decision of the Ministry of Interior cancelling New Year's celebration parties surprised us, especially since these parties are exactly like any other party held at hotels or "dinner with music".

I really don't understand why these parties are prohibited. It looks as if we are telling the people who are interested in celebrating this occasion that they should travel out of the country to do so.

This is an important part of any social life.

Zahed Matar

HOROSCOPE '88

FIND out what is in store for you next year. Your horoscope for 1988 will be published from Jan 2.

House collapse

BOMBAY, Dec 30, (Reuters): A five-storey building housing eight families in south Bombay collapsed to heaps of concrete and twisted steel today, killing at least 18 people, police said.

Mediator's role

He said the summit delegated the UAE "to play a mediator's role because of its good ties with Iran."

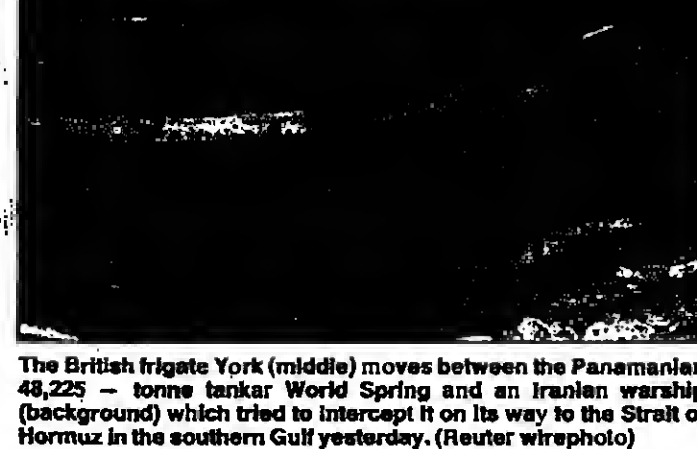
The same newspaper yesterday quoted an unnamed summit official as saying the GCC directives moved the council away from demands to boycott Iran "to closer contacts and consolidation of true relationships."

"These will lead to important results, including Iranian guarantees against attack on GCC states and paving the way for international efforts to end the war," the official was quoted as saying in the newspaper.

At a press conference after the summit, Saudi Arabia's Foreign Minister Prince Saud Al Faisal disclosed that a report on GCC contacts with Tehran was presented to leaders of the council states during the summit.

He added that the Gulf states had contacts with the Tehran government before the summit and would initiate fresh dialogue after the Riyadh meetings.

The Iranian Prime Minister Mir Hossein Mousavi, when asked after a cabinet meeting in Tehran about reports that the GCC might send an envoy to discuss peace efforts with Tehran, said: "There have been some talks in this regard and messages have been sent so far."



The British frigate York (middle) moves between the Panamanian 48,225-tonne tanker World Spring and an Iranian warship (background) which tried to intercept it on its way to the Strait of Hormuz in the southern Gulf yesterday. (Reuters wirephoto)

Expelled Chinese diplomats leave US

WASHINGTON, Dec 30, (UPI): Two diplomats from China, ordered out of the country for "incompatible" activities, have left the United States, the State Department said today.

A State Department spokesman said the Chinese embassy was told on Dec 22 to arrange the departure of the two diplomats because they were "engaged in activities incompatible with their diplomatic status" — a phrase often used to refer to matters such as spying. Both officials had diplomatic immunity and have left the United States, the spokesman said.

The Washington Times, quoting a source close to the case, reported today that the diplomats were arrested after one of them received what he believed were classified national security agency documents.

FBI agents arrested the assistant military attaché Dec 21 as he and a double agent assisting US officials sat in a restaurant in Washington's Chinatown. It was not known whether the other diplomat was also at the restaurant then, the newspaper said.

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Carlucci coming to Kuwait

WASHINGTON, Dec 30, (Reuters): US Defence Secretary Frank Carlucci will visit Kuwait, Saudi Arabia and Bahrain on a week-long tour of the Gulf starting on Sunday, a Pentagon official said yesterday.

Carlucci, on his first trip to the area since replacing Casper Weinberger as Defence Secretary last month, will also visit US ships, the official told reporters.

Carlucci said in a television interview last week that his trip was to prepare for advising President Reagan on the military structure needed to fulfil the US mission in the Gulf.

America's warships have since last July escorted 22 convoys of US-flagged ships through the waterway to protect them against attacks by Iran.

In the so-called tanker war, the Iranians singled out Kuwaiti ships for attack because of its support for Iraq, Tehran's enemy in the seven-year-old Gulf war.

UK frigate saves ship from attack

DUBAI, Dec 30, (Agencies): The British frigate York placed itself between two tankers it was escorting and an approaching Iranian warship in the Gulf today.

A photographer flying over the scene 35 miles northwest of Sharjah in the United Arab Emirates, said the York intervened as the Iranian vessel turned towards the Panamanian-flag tanker World Spring.

The 48,225-tonne World Spring and the other ship under escort, the 237,285-tonne Liberian tanker World Progress, are owned by World Wide Shipping Agency Limited of Hong Kong.

The photographer said the Iranian ship, equipped with four 40mm guns and a helicopter landing platform, made a 180 degree turn towards the smaller tanker.

Formation

A taped radio conversation between the two ships showed the Iranians had first questioned York.

After the York identified itself as "British warship," the Iranian vessel asked it to switch radio channels and said:

"Good afternoon sir, this is Iranian warship L51. Request your tag number."

The York replied curtly: "This is British warship."

"Okay... ah... you are in formation with two tankers," the Iranians said.

"This is British warship. I am in passage in international waters," the York replied.

The photographer said the Iranian ship started manoeuvring immediately after the radio conversation and the York took up position between it and the World Spring.

The helicopter then had to leave but the convoy appeared to be sailing on.

In other developments Iraqi warplanes today attacked a ship off Iran as the toll grew in the worst month of the "tanker war."

If confirmed, the new Iraqi strike would raise the toll of ships attacked by Iran and Iraq in December to at least 29 — the highest figure in a single month in the seven-year-old war.

Five of the 28 ships confirmed hit were attacked twice, according to Lloyd's shipping intelligence unit in London.

Lloyd's said there have been at least 447 attacks or cases of war damage to vessels in the Gulf since the war started in 1980, with 178 incidents this year.

Lloyd's yesterday added two tankers to the four previously known hit in a long-range Iraqi raid on Laruk island at the mouth of the Gulf on Dec 22.

Lloyd's also reported a previously unpublished Dec 19 strike by an Iranian frigate against the 237,285-ton Liberian flag World Progress.

Iran is not in a position to attack Kuwait: Saddam

Riots, prelude to a martial law: Benazir

Britain will stand by Kuwait: Mellor

Unpaid workers living in agony to be lowered

Joint security strategy approved

GCC will send envoy to Tehran for talks on war

Opposition plan to siege Dhaka illegal: Ershad

Donor countries threaten to cut off aid to Bangladesh

Emergency ruled out

Salary ceiling for family visas will not be lowered

Hold Islamic summit to solve Gulf problems: Hassan

Deficit budget for Saudi Arabia

RIYADH, Dec 30, (QNA): King Fahd Bin Abdul Aziz yesterday signed a special decree outlining the Saudi general budget for the year 1988-89.

The budget was discussed at a special cabinet meeting held yesterday afternoon.

According to the new budget, the state's income is evaluated at 105.3 billion Saudi riyals, while expenditures are expected to be about 141.2 billion Saudi riyals.

It has been decided that eight billion riyals will be taken from the general reserves and be added to the incomes. Moreover, the Ministry of Finance and National Economy will be authorised to borrow 30 billion riyals in the new year by issuing bonds.

| WEATHER | |
|---|--|
| COLD weather continues with moderate to fresh northwesterly wind. | |
| State of sea: moderate | |
| High water: 10.00 am, 10.00 pm | |
| Low water: 3.00 am, 2.00 pm | |
| Sunrise: 6.42 am | |
| Sunset: 5.00 pm | |
| Maximum temperature recorded: | |
| Kuwait: 15°C 59°F | |
| Ahmad: 14°C 57°F | |
| Fahala: 14°C 57°F | |
| Minimum temperature expected: | |
| Kuwait: 16°C 61°F | |
| Ahmad: 15°C 59°F | |
| Fahala: 15°C 57°F | |
| Maximum humidity recorded: | |
| Kuwait: 75 per cent | |
| Ahmad: 82 per cent | |
| Fahala: 85 per cent | |
| Minimum temperature recorded: | |
| Kuwait: 23°C 73°F | |
| Ahmad: 20°C 68°F | |
| Fahala: 20°C 68°F | |

ARAB TIMES

Bumper Bingo

MR. John Fernandes has won the Third Full House prize. He will receive KD40. The answer to the clue is 2.

A year of achievements

IN a year which presented Kuwait with unprecedented challenges, the Arab Times had its own challenges to meet in providing the readers with information on the latest developments in Kuwait, the Gulf and areas of interest worldwide.

We believe that the achievements, listed below, speak for themselves. We have become a leader on the local media scene and have earned recognition from abroad boosting the reputation of Kuwait's media in general.

It was a compliment to our efforts the Times magazine in its issue of Dec 28 selected the Arab Times, from all the newspapers around the world, to illustrate a page recalling the Gulf crisis in its Images of '87 section.

Some may view our accomplishments with doubt, but those familiar with the constraints under which we work, recognise our success as no small feat. And the drive towards new achievements does not end with 1987.

We have sought to raise standards both on the technical level with the introduction of new equipment, and on the editorial side with more in-depth coverage of local and international events.

We have revamped the Urdu pages improving the editorial content and presentation.

We are probably most proud of the scoops and exclusive interviews that appeared on our pages in 1987.

Working under pressing circumstances the Arab Times reporters exerted their utmost efforts to dig out the most sensitive but authenticated stories.

The latest among these is the exclusive on the GCC states' intention to send an envoy for talks to Tehran, voiced during the GCC summit meeting in Riyadh.

Eyewitness

The Gulf crisis which threatened Kuwait was closely followed by our staff and when the Iranian missile hit the registered tanker, Sea Isle City, in Kuwait waters our reporters were the first to interview the casualties, get eyewitness accounts of the assault and report that the captain was blinded in the attack.

We carried a number of exclusive interviews with prominent leaders of the Arab world such as King Hassan of Morocco, president Saddam Hussein of Iraq and President Hosni Mubarak of Egypt. Our reporters travelled to Pakistan to interview Prime Minister Junjo and opposition leader Benazir Bhutto and to Bangladesh to interview President H.M. Ershad.

We were the first to report that foreign donors may withhold aid to Bangladesh unless stable government is established there.

We were closely following changes in the immigration laws and promptly reported on any new measures affecting the status of expatriates in Kuwait.

Judging by the response from our readers these stories were well received. So were the ones on the plight of foreign workers in Kuwait. Our reporter dealing with labour issues became something of an agony aunt for some expatriates embroiled in labour disputes but she also drew the wrath of some employers whose staff stood near her car.

Column

But it was not all gloom and doom on our pages in 1987. We introduced a locally written weekly humorous column accompanied by cartoons which treated topical issues in a light-hearted way. This turned out to be a very popular feature of the newspaper.

Recognising the fact that many of our readers are Filipinos we introduced a page dealing with issues of interest to this community. And for the motor sports fans we provided a detailed coverage of Middle East car rallies.

The Arab Times was the first and only newspaper so far in the Gulf to introduce the latest world stock market prices and financial reports as a regular feature on our business pages. We have developed our own software to produce these reports from the Reuters financial wire service.

We have already acquired the hardware which will help streamline our administrative operation.

Our reporters have done away with typewriters, manual or electric, and are now hammering out their stories on word processors. Plans are underway to computerise the editorial department. The Urdu calligraphers who used to handwrite all the stories have been replaced with typesetting machines. Within days our photographers will move into a new studio equipped with a modern laboratory.

Our New Year resolution is simple but effective to keep up the momentum.

Naxalites swap officials for jailed comrades

NEW DELHI, Dec 30, (AP): A left-wing extremist group today freed seven senior officials of southern Andhra Pradesh state following acceptance of their demand that jailed comrades be released without police escorts, the Press Trust of India said.

The news agency said the seven officials were freed before dawn by members of the Maoist Naxalite group after days of intense negotiations at Gurthedu in East Godavari district, 830 miles (1,335 km) southeast of New Delhi.

The state and central governments agreed on Monday night to the kidnappers' demand that eight members of their group captured in the past two weeks be released from jail in exchange for freedom for the hostages.

The prisoners were let out but kept under police guard at Gurthedu while negotiations shuttled between a command post in the village and the kidnappers' jungle hideout, trying to finalise the swap, the Press Trust said.

The breakthrough came last night, when authorities agreed to the extremists' demand that the prisoners' police guards be withdrawn and they be allowed to walk out of the village, the news agency said in a report from the state capital of Hyderabad.

Members of the underground Maoist group ambushed and abducted nine state officials on Sunday as they returned from a meeting in the remote east Godavari district and demanded freedom for their eight captured comrades.

The Naxalites released two women but kept their remaining hostages.

Officials said the abductions were apparently prompted by a series of police raids during the past two weeks on the group's hideouts. Officers seized arms and arrested the eight extremists.

A force of 400 crack paramilitary commandos that arrived on Monday from New Delhi did not mount a rescue operation because of fears for the safety of the hostages.

It was not immediately known whether an operation against the extremists was launched after the hostages were freed.

The Naxalites took their name from the village of Naxalbari in West Bengal, where they launched a bloody insurgency in the mid-1960s to wipe out the centuries-old feudal system that perpetuated large land holdings by a small number of wealthy landlords in India's backward eastern states.

The movement embraced Mao Tse-Tung's theory of inciting peasant rebellion and gained momentum into the early 1970s, spreading to Andhra Pradesh and other states and targeting officials, landlords and police officers.

The powerful new executive president was created by a constitutional reform abolishing the post of prime minister and giving full executive powers to the head of state.

It took Mutasa less than two minutes to proclaim the election of Mugabe, who sat in his usual front bench seat, his hands clasped before him.

"Only one nomination paper was duly completed," Mutasa said, explaining that there would be no need for a vote. "I accordingly declare the honourable comrade Robert Gabriel Mugabe duly elected."

Mugabe's election was greeted with applause from the members of the two houses, including several whites nominated by the ruling Zimbabwe African National Union-Patriotic Front (Zanu-PF) party.

Mugabe's old political rival Joshua Nkomo, who agreed to merge his Patriotic Front-Zimbabwe African People's Union (PF-Zapu) party with Zanu-PF last week, also applauded from a special reserved back bench seat.

After the formal proclamation by Mutasa, flanked by parliamentary clerks in wigs and robes, there was a riot of noise as Minister of State for Women's Affairs Teurai Rope Ngonzo rose to her feet and led a chorus of singing and dancing.

Women spectators in the visitors' gallery also danced and howled in honour of Mugabe, who sat on his green leather bench, smiling and looking mildly embarrassed.

Public quarrel between black leaders

Six killed in South African violence

JOHANNESBURG, Dec 30, (Reuters): A 12-year-old boy was among six people killed in Natal province, where a rising wave of black-against-black violence has touched off a rare public quarrel between two of South Africa's top black leaders.

A police report today covering violence in the past 24 hours listed four deaths, including the 12-year-old, in black townships near the Natal province capital of Pietermaritzburg. At least 10 houses were burnt down.

A fifth person was killed at

Scottburgh in a clash between tribal clans while a 21-year-old man was killed by being shot, stabbed and set alight after petrol and a mattress were thrown over him near the port of Durban.

"It is alleged that he had been intimidating people in the area," the terse report said.

Tempo

Pietermaritzburg townships, shanty towns built on rolling hills to the west of the city, have seen about 260 killings this year, with the tempo of violence rising since Christmas Eve.

No official toll has been given, but death tallies are kept by local newspapers and a church group monitoring the strife.

The main cause of the violence is a power struggle between the conservative Inkatha Zulu group and a leftist coalition of anti-apartheid organisations, the United Democratic Front (UDF).

Verbal sparring has broken out between the President of Inkatha, Zulu chief Mangosuthu Buthelezi, and Nobel peace prize winner Archbishop Desmond

Tutu, whose ideology matches that of many UDF followers although he himself is not a member of the organisation.

On Tuesday, Buthelezi hit out at Tutu, who on Sunday appealed to all sides in the Pietermaritzburg violence to end what he termed a ghastly spiral of unending killings.

Linked

In a statement, he accused Tutu of political posturing and of being linked with the "labyrinth of intrigue which purposefully

sets out to perpetuate the violence be now decries."

He said a call for peace should first be addressed to the outlawed African National Congress (ANC) guerrilla organisation, which Inkatha views as the principal backer of the UDF.

Tutu retorted today: "Chief Buthelezi appears to think that his leadership is enhanced by denigrating others."

He said the cause of peace would not be advanced by mudslinging and rejected Buthelezi's suggestions that he was biased.

Mugabe elected President

HARARE, Dec 30, (Reuters): Prime Minister Robert Mugabe was proclaimed Zimbabwe's first executive President today at a five-minute session of the country's two houses of Parliament.

Mugabe, 63, will be sworn in tomorrow at an open air ceremony, taking over from titular President Canaan Banana who has been head of state for the past seven years.

Women ministers and members of Parliament sang and danced after Mugabe, the sole candidate, was proclaimed elected by Didimus Mutasa, speaker of the house of assembly.

Reform

The powerful new executive president was created by a constitutional reform abolishing the post of prime minister and giving full executive powers to the head of state.

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The BBC apologised for the leak last week and transferred its royalty reporter to another position.



Soviet cosmonaut Romanenko enjoys his first meal after his return to earth. (Reuters wire photo)

Homesick cosmonaut back to earth for New Year

MOSCOW, Dec 30, (Reuters): Homesick Soviet cosmonaut Yuri Romanenko has returned to earth after a record 326 days in space in time for traditional New Year celebrations with his family.

State television yesterday showed recorded film of the Soyuz TM-3 space capsule landing with Romanenko and two colleagues on board in a blizzard on the steppes of Kazakhstan.

Apparently a little shaky after being weightless for so long, Romanenko, 43, was helped to a waiting helicopter hut doctors made a preliminary judgement that his health was good.

"I feel great. I'm satisfied with the work I did and glad to see you on the earth of Kazakhstan," he told reporters.

Soon after landing on the windswept plain about 80 km (50 miles) northeast of the town of Arkalyk, Romanenko was flown to meet his wife and children at

the Baikonur Space Centre.

The television showed him hugging and kissing them, a luxury not usually allowed to returning cosmonauts until after they have undergone detailed medical examinations and debriefings.

Soviet space chiefs had granted Romanenko concessions such as extra telephone calls, home from the space station Mir and less work since reports in the autumn said he was homesick.

The government daily Izvestia gave an indication yesterday of the stress he has suffered when it said the cosmonauts had bad a row with mission control, complaining that they felt like "squirrels in a wheel."

Honour

Romanenko landed with Alexander Alexandrov, 44, his colleague on Mir since July, and Anatoly Levchenko, 46, the test pilot who flew to Mir with the new crew on Dec 21.

Tass news agency said all three men were awarded the Order of Lenin, the Soviet Union's top honour, for heroism in space.

Alexandrov went with Romanenko to meet relatives but Levchenko went by helicopter straight to Arkalyk, from where he piloted a TU-154 passenger plane to Moscow.

On the mission to gain experience for a future shuttle programme, with reusable rockets, he had to show he could fly a plane right after returning from a condition of weightlessness.

The Soviet Union, which holds all the world space endurance records, is keeping its cosmonauts for longer periods in space partly in order to test human capacity for a future three-year flight to Mars and back.

But the psychological and medical implications of prolonged weightlessness are still not clear.

Leaking of submarine secrets to Soviets threatens Tridents

LONDON, Dec 30, (Reuters): The future effectiveness of Britain's independent nuclear deterrent is threatened by a betrayal of Western submarine secrets to the Soviet Union, a British defence publication said today.

But a British Defence Ministry spokesman told Reuters: "We have complete confidence in the quality of our submarines."

The 1988 edition of "British Warships and Auxiliaries" said the latest Soviet submarines were as quiet as Western craft, making it possible for them to track adversaries.

"The element of surprise making it possible to get in the first shot in war cannot be relied upon."

"Can there be any guarantee Western Trident submarines will

continue to enjoy freedom from detection by Russian hunter-killer submarines?" an introduction to the book asked.

The book said the advance was largely due to information passed to Moscow by the Walker family spy ring jailed in the United States last year. Four members of the family with high-level US naval intelligence links gave Moscow sensitive details of communications codes and other technical secrets.

Advanced milling machinery and computer software sold by a subsidiary of Japan's Toshiba company and the Norwegian company Kongsberg Vaapenfabrikk also helped the Soviet Union make its submarine propellers nearly noiseless.

Britain is preparing to replace its force of polaris nuclear-armed

submarines by the mid-1990s with more advanced Trident craft and missiles. The Tridents will also be used by the US Navy, which is currently testing them.

Special

Western submarines, equipped with quieter propulsion systems and special insulation tiles, have always enjoyed an advantage over noisier Soviet equivalents. Moscow has concentrated on speed for its vessels.

Britain insists none of its four Polaris submarines, which stay at sea for months on end, has ever been detected at sea by a hostile or allied craft.

"British warships and auxiliaries" is an independent defence manual, reviewing international naval developments, published annually in Britain and overseas.

Defection

HONG KONG, Dec 30, (Reuters): The younger brother of Afghan President Najibullah says he has defected to the guerrilla resistance and is likely to seek asylum in the West, Asia-week magazine reported today.

In an interview with the Hong Kong-based weekly, Sidiq called his Soviet-backed brother a charlatan and a "power-mad Nero unable to tolerate people with different opinions."

Gerry Adams, president of the IRA's political wing, Sinn Fein, said in a New Year message published today that the sense of grief in the Republican Movement

Irish death toll highest for five years

93 killed in 1987

BELFAST, Dec 30, (Reuters): Ninety-three people have been killed this year in the Northern Ireland conflict, making 1987 the bloodiest for five years, a police spokesman said today.

The Irish Republican Army (IRA), fighting to oust the British from Northern Ireland, has claimed responsibility for almost 60 of the killings. Eleven of its victims died when an IRA bomb ripped through a war memorial ceremony in Enniskillen.

The IRA, internationally condemned for last month's Enniskillen massacre, also lost eight of its guerrillas on one night in May when they were caught by British commandos as they tried to attack a police station in the village of Loughall.

Gerry Adams, president of the IRA's political wing, Sinn Fein, said in a New Year message published today that the sense of grief in the Republican Movement

after the Loughall incident was "matched only by the feeling of genuine regret and sorrow which followed the tragedy in Enniskillen."

Sinn Fein's support at the polls dipped this year in both British and Irish elections but Adams said that, despite attempts in 1987 to "isolate and marginalise" Sinn Fein, the party would not go away.

The police spokesman, reviewing the statistics from Northern Ireland's sectarian and political conflict, said the death toll of 93 was the worst since the 1982 total of 97.

Since Northern Ireland's Roman Catholic minority began a civil rights campaign in 1969 for better housing, education and jobs, 2,618 people have been killed in one of the 20th century's longest-running guerrilla conflicts. The worst year was 1972 with 467 deaths.

Army takes over in Transkei

JOHANNESBURG, Dec 30, (Reuters): The Army toppled the government in the South African tribal homeland of Transkei today, the second bloodless coup in the territory in three months.

Coup leader General Bantu Holomisa told Reuters by telephone he had suspended the constitution, banned political activity and formed a military council to run the impoverished Indian Ocean territory, set up 11 years ago and recognised only by Pretoria.

"We have taken over," Holomisa, 32, said in a brief interview.

Corrupt

Holomisa masterminded a coup in September which led to the appointment of Stella Sigcau as prime minister of Transkei.

Holomisa went on Transkei radio to announce the overthrow of the short-lived government. He told civil servants to go home until Thursday when he would announce more details of his move.

There was no immediate word on the fate of Sigcau, hailed by Pretoria as Africa's first woman prime minister, and her cabinet.

Residents said Umtata, the Transkei capital, was quiet after Holomisa's announcement shortly after midnight.

The September coup was staged by the Army in a bid to clean up Transkei notoriously corrupt government, but the military remained uppity about graft, government officials said.

"Holomisa said in his coup announcement today it had been established that Sigcau was 'involved in the corruption and bribery which the Transkei defence force are fighting and which was practised by the ministers who had recently been removed from their posts in an anti-corruption purge'."

Transkei was the first homeland to be established under an apartheid plan to keep most of South Africa's territory in white minority control.

Transkei derives most of its income from migrant labourers and from casinos built to attract South African whites whose government does not permit gambling.

Denktash

wins \$200,000 in libel damages

NICOSIA, Dec 30, (AP): The leader of an opposition party in the Turkish Republic of northern Cyprus said today he will appeal a court judgement that he and his party's newspaper pay \$200,000 damages to Rauf Denkash, President of the breakaway state.

Ozker Ozgur, chairman of the leftwing Republican Turkish Party, was quoted in the party paper "Yenidenuzen" (new order) as saying the court judgement's "goal is to wipe out the opposition."

"All I own is a car and my wife owns a house," Ozgur told Yenidenuzen, saying he would appeal to a higher court.

The damages, announced on Monday, are believed to be the highest ever assessed in a libel case in Cyprus.

The judgement was based on an article in Yenidenuzen Dec 16, 1985. The article used the Turkish word babalar (fathers) referring to Denkash and his conservative political colleagues. The word was capitalised for emphasis.

In Turkish, the words baba (singular) or babalar have a double meaning. The normal meaning is father of children. A second meaning is mob leader or gangster.

The court ruled that the latter meaning was intended in the article.

Ozgur's party and an allied leftwing group have 22 seats in the 50-seat Parliament of the Turkish Cypriot state which covers 37 per cent of northern Cyprus. Two conservative parties which support Denkash have 28 seats.

Ershad vows to hold polls

DHAKA, Dec 30, (Reuters): President Hossain Mohammad Ershad has said fresh elections in Bangladesh will take place even if the main opposition groups boycott the polls.

"Boycott by big parties like the Awami League or the Bangladesh Nationalist Party will not hinder polls. The country has more than 100 political parties," he told officials yesterday.

The two named parties, led by Ershad's arch rivals Sheikh Hasina and Begum Khaleda Zia, respectively, are the key factors in a continuing campaign by 21 opposition parties to topple him by strikes and demonstrations.

Ershad has refused to step down under pressure.

Progress

He said that repeated opposition-led strikes and violence set back economic and social progress that peace-loving Bangladeshis would not allow it any longer.

The President urged opposition leaders to change their mind and talk with him about resolving the political crisis.

"I also urge them to take part in the elections if they really want people's welfare and believed in democracy," he added.

Western diplomats said Ershad might again risk credibility if he really held elections with the major parties abstaining.

Hasina said in a statement today any election without the participation of the major parties would be a farce.

Ershad imposed a state of emergency on Nov 10 to thwart the mounting opposition protests and later dissolved the one-year-old Parliament to prepare for new polls.

Mousavi denies

Iran making chemical weapons

NICOSIA, Dec 30, (Reuters): Iranian Prime Minister Mir-Hossein Mousavi denied today that Iran was making chemical weapons but said it could do so if necessary.

"The Islamic republic is capable of manufacturing chemical weapons and possesses the technology," the Iranian news agency, Irna, quoted him as saying.

"But we will produce them only when Islam allows us and when we are compelled to do so."

In London, the Independent newspaper reported that Iran had agreed to supply Libya with chemical arms in return for Soviet Scud missiles.

It quoted informed sources in Tripoli and Tehran as saying Iran had developed chemical mortar shells and rockets designed for use against ships, tanks and troops.

They said Libya wanted to use the anti-tank and anti-troop weapons in Chad, where clashes between Chad and Libyan forces are continuing despite a truce agreed between the two countries in September.

Iran would in return receive a dozen medium-range advanced Scud-B missiles, a weapon Iran has used to rocket Baghdad, the Independent said.

Heart operation

PAVIA, Italy, Dec 30, (Reuters): Italy's first operation to implant an artificial heart in a human was carried out on Christmas Eve, doctors announced today.

A team of surgeons headed by Doctor Mario Vignano of the San Matteo Hospital in the Northern Italian city of Pavia performed the operation on a 47-year-old Italian man.

The man, whose name was not released, was in good condition.

'Oldest' person dies at 114

SWANSEA, Wales, Dec 30, (UPI): A woman believed the oldest person in the world has died in a nursing home at the age of 114 years, and 210 days, news reports said today.

British newspapers reported Anna Williams, who was born June 2, 1873 halfway through the reign of Queen Victoria, died yesterday.

Williams, a former cook, did not smoke, drink or take pills and she had said the secret of her longevity was a "rest and two veg" diet.

A spokeswoman at Swansea's Tuxedo nursing home, where she had lived for 17 years, said "she died of old age."

Required

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Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains. The number of transformed cells was determined by the number of colonies growing on the selective medium. The results are the mean of three independent experiments. Error bars represent standard deviation.

South Korean riot police pushes away a former demonstrating outside the US Embassy against the possible lifting of a ban on imports of US beef. (Reuter wirephoto)

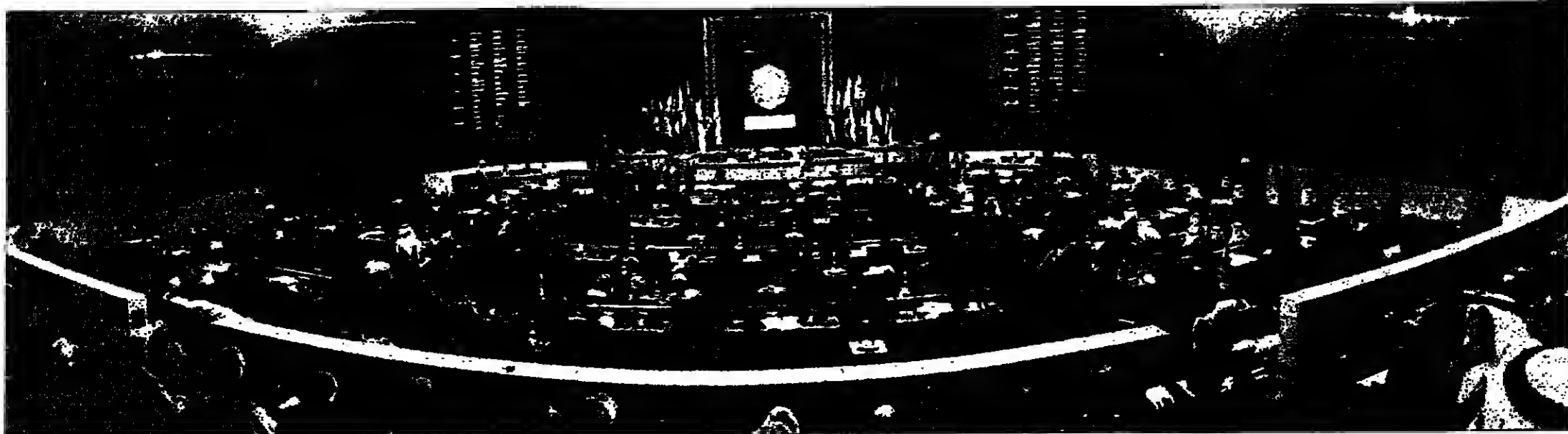
Opposition urged to

SEOUL, Dec 30, (AP)—Opposition leader Kim Dae-jung, South Korea's first openly gay politician, said he would run for president in 2003 to reunite the divided peninsula.

...the ...

Arab Times takes a look back at 1987

A momentous year in the history of Kuwait



A general view of the Islamic summit



HH the Amir chairing the Islamic summit

THE year 1987 was arguably the most dramatic year in Kuwait's recent history with the country becoming embroiled in the Iran-Iraq war to the extent that its security cannot be safely contemplated unless the end to the conflict is negotiated.

Despite the bloodshed and intensive peace efforts the year ended on a similar note it had begun — with hopes that the following year will see an end to the conflict, which has taken more than a million lives.

Peace was an elusive commodity in 1987. The year began with an Iranian offensive and ended with raging battles on the war front. The tanker war got out of control, with shipping serving Kuwait being among the chief targets of Iranian attacks. There were more foreign navy ships to guard the sealanes in the Gulf than ever before. But more commercial vessels were assailed than in any of the previous years since the tanker war began in 1984.

Although Kuwait's ships and territory were the targets of Iran's missile attacks, and several explosions and fires sent disturbing signals to the authorities, the year was more significant for the tension these incidents caused than for the actual loss of life and material damage.

Throughout the year Kuwait was walking a tightrope performing its balancing act in an effort to ward off the attacks from outside and to maintain peace and stability inside the country.

Sheltered

It was a year that required stamina and pluck from Kuwait's leaders, a year of vigilance, trial and frustration as well as a renewed conviction that



HH the Crown Prince and Premier, Sheikh Saad.

peace efforts must be continued. Although history will be the best judge of past actions, it can be safely said that Kuwait was sheltered from a foreign aggression and contained the elements threatening its internal stability.

It was a year of intensive diplomatic activity for Kuwait, which led and supported just about every peace initiative that aimed to end the Gulf war. Being the subject of Iranian attacks

itself, Iran fired eight missiles at Kuwait in 1987. — Kuwait canvassed for support from the international community.

So this it was successful as it was generally recognised that the country was in danger of being dragged into a war against its own will. The GCC countries repeatedly voiced their unwavering support for Kuwait. Kuwait's friendly relations with the superpowers and the EEC

countries also paid off, and these countries heeded Kuwait's appeals and warnings.

Egypt and the US assured Kuwait that it will not face the enemy alone in the unlikely event of an Iranian invasion.

Richard Armitage, the US Assistant Secretary of Defence told Kuwaitis last September: "I don't think anyone in the West would allow any of the GCC states to come under Iranian domination. In fact US and other forces are here (in the Gulf) to stop Iran's hegemony in the region."

A way for a more tangible support from Egypt was cleared when Kuwait resumed diplomatic relations with that North African Arab state.

While its defence forces stepped up their vigilance and vowed to repulse any attacks, Kuwait focused its efforts on achieving peace. In January it played host to the Islamic summit conference which brought together 43 of the 46 member countries of the Organisation of Islamic Conference (OIC).

Iraq did not attend the conference missing a good opportunity for an honourable solution to its conflict with Iraq. The conference urged the belligerents to withdraw to the international borders and embark on the exchange of prisoners of war but saw no point in sending a delegation to Iran.

Role

Throughout the year Kuwait played a significant role in promoting peace efforts within the OIC, the GCC and the Arab league.

At the same time it contemplated new measures to protect its shipping, which suffered frequent attacks blamed on Iran, and insure free flow of its oil exports from the Gulf. Its decision to re-register its tankers in foreign countries, namely the five permanent members of the security council, that these countries were to dispatch fleets to the Gulf to escort vessels registered in their countries.

Kuwait first chartered three Soviet vessels in May. Then in July and August, 11 Kuwaiti tankers were re-registered in the US. Three other Kuwaiti vessels were registered in UK.

Steps to re-register the tankers followed a series of threats against Kuwait unleashed by Iran, the discovery of mines in Kuwaiti waters and repeated attacks on its shipping.

Kuwait denounced Iran and protested against its hostile acts at the United Nations.

Kuwait's Deputy Premier and Foreign Minister, Sheikh Sabah Al Ahmed said moves to register oil tankers in the US and charter Soviet tankers reflected the country's desire to safeguard its main source of income. The agreements were commercial in nature, he said, denying that Kuwait sought to bring the superpowers to the Gulf. But he repeatedly stressed that the protection of ships in the international waters was the responsibility of the international community.

Kuwait ruled out any possibility of granting military facilities to the United States or other foreign powers.

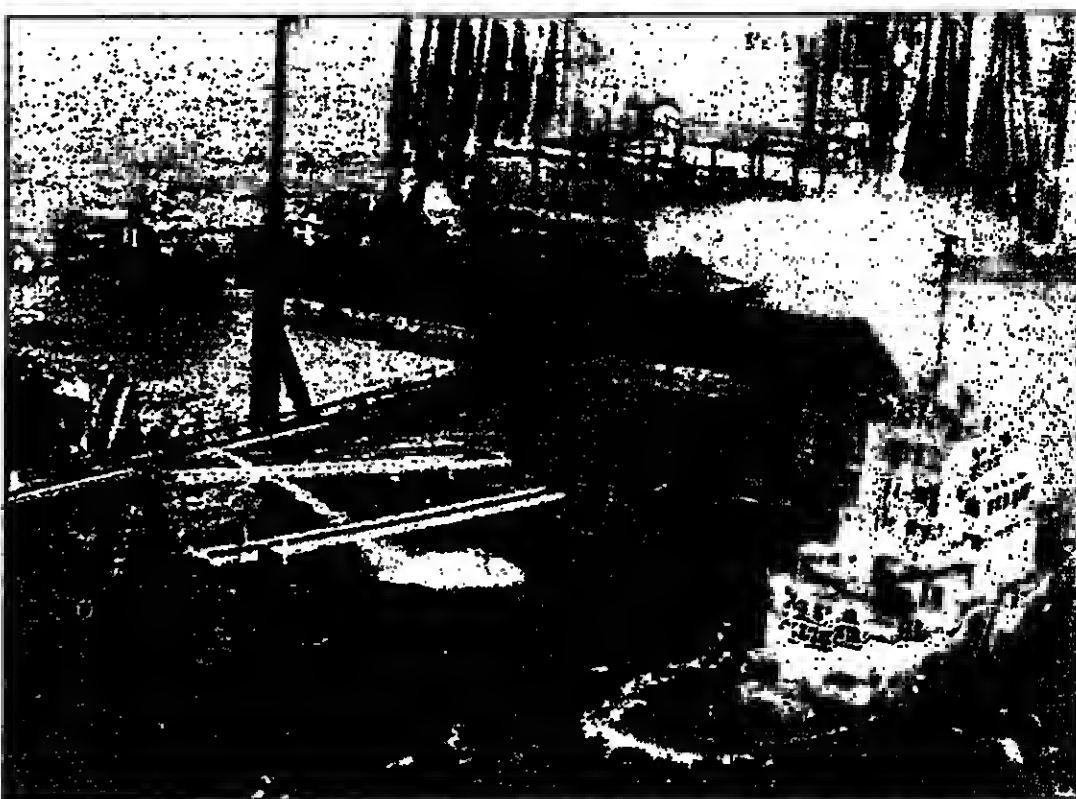
Escort

Kuwaiti tankers were re-registered in the US a day after the United Nations Security Council passed a resolution calling for an immediate ceasefire in the Iran-Iraq war. The US dispatched a fleet of more than 30 ships to escort the American-flag vessels in the Gulf. The US Navy have escorted more than 20 convoys which started unhappily when the US-flag tanker Bridgeton was holed by a mine on its maiden voyage to Kuwait.

The Iranian-sown mines alarmed the international community and France, Belgium, Italy and Holland sent fleets complete with minesweepers to the Gulf while Britain strengthened its Armilla Patrol. Their role was to



Part of Ahmadi pipeline which was damaged by explosions.



Fireboats extinguishing the fire at the oil loading terminal after it was hit by an Iranian missile.

ensure the freedom of navigation in the Gulf.

The ceasefire resolution was accepted by Iraq but rejected by Iran and the war resumed while the UN Secretary General continued peace efforts which eventually yielded no results. Hostilities escalated towards the end of the year with Iran firing seven missiles at Kuwait in September, October and December. Following the missile attacks in September which were aimed at the oil installations and industrial projects but caused no damage, Kuwait expelled five Iranian diplomats.

A re-registered tanker was hit in Kuwaiti waters in October and the US promptly retaliated by blowing up an Iranian oil rig. An Iranian missile also hit an oil-loading terminal in Kuwait. Kuwait denounced Iranian attacks which came only months after Kuwait's embassy in Tehran was stormed by a mob and set ablaze.

Kuwait is supporting UN Security Council moves to impose an arms embargo against Iran for failing to comply with the ceasefire resolution. It is also supporting calls for a UN naval force in the Gulf.

Firm

On the home front Kuwait dealt firmly with those responsible for acts of sabotage and disturbing peace and order in the country.

In March, 12 members of an underground group were arrested, after the prosecutor completed investigations. Three allegedly involved with subversive activities are still at large. They were arrested for a car bomb explosion in the Salmiya complex; bomb explosions in two oil wells and an artificial island in Ahmadi; setting fire to Mina Abdullah refinery in June 1986 and rioting in front of the

Bayan Police station earlier this year.

In June six people were given death penalty by Kuwait's State Security Court for sabotaging vital oil installations and plotting to undermine the government. They were among 16 people on trial since April 4, 1987. Four of the 16, including two sentenced to death, are still at large.

The defendants were charged with sabotage at key oil sites in June last year and in January 1987. Other charges were plotting to undermine Kuwait's territorial integrity and social economic fabric.

An indictment at the trial's opening said they had acted "against Kuwait's unity and territorial integrity" from August 1984 to February 1987.

Caches of American, Soviet and Israeli arms were seized from them.

Stand

Time and again Kuwait's leaders have reiterated their stance on dealing strictly with "enemies of state." HH the Crown Prince and Premier Sheikh Saad Al Abdullah asserted (June 9, 1987): "It is not the policy of Kuwait to generalise the use of repression. It is only used in cases that need firmness and severity against those who think they can touch the state's security and the safety of the society." He classified the recent incidents in Kuwait as "political crimes" which would be dealt with strict measures.

HH the Amir also said that threats could not force a change

in Kuwait's stand on Arab or international issues.

On June 9, 1987, eight people, including seven Kuwaitis, were charged for allegedly inciting violence and distributing subversive material — leaflets inciting the overthrow of the Kuwaiti political system by violent and unlawful means. The leaflets slandered HH the Amir according to a prosecutor. Those charged were between the ages of 14 and 25.

On June 15, 1987, the trial of 26 rioters began. Of the total 25 were Kuwaitis. They were tried on charges of rioting, violently resisting security forces and disturbing order. The defendants between the ages of 17 to 37 "gathered in public places with an intent to resist authorities and disturb peace and order," a charge sheet made in January said.

On June 27, the State Security Court began the trial of 15 Kuwaitis on security charges. Seven defendants including three minors (one minor still at large) were accused of "inciting the overthrow of the country's regime by unlawful and violent means."

Eight other Kuwaitis, aged 20 to 37, went on trial for obstructing the course of justice and attacking security men in a riot in January this year, during which a policeman was injured.

July nine Kuwaitis and a foreigner were sentenced to jail terms ranging from six months to seven years from anti-state activities.

Six Kuwaitis convicted of seeking to topple the government by force and distributing anti-state leaflets received the stiffest sentences of up to seven years with hard labour.

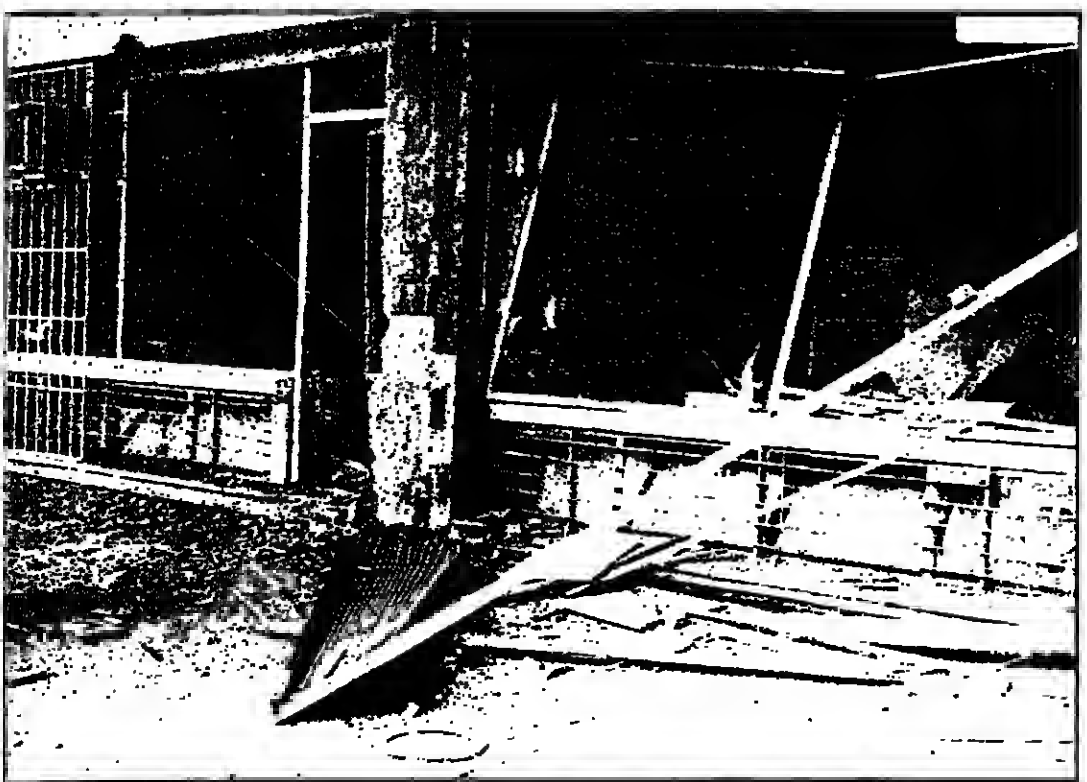
Law

The authorities also moved to close the loopholes in the immigration and residence laws. In April new amendments to the residence law were announced spelling strict punishment for those who traded in visas and residence permits.

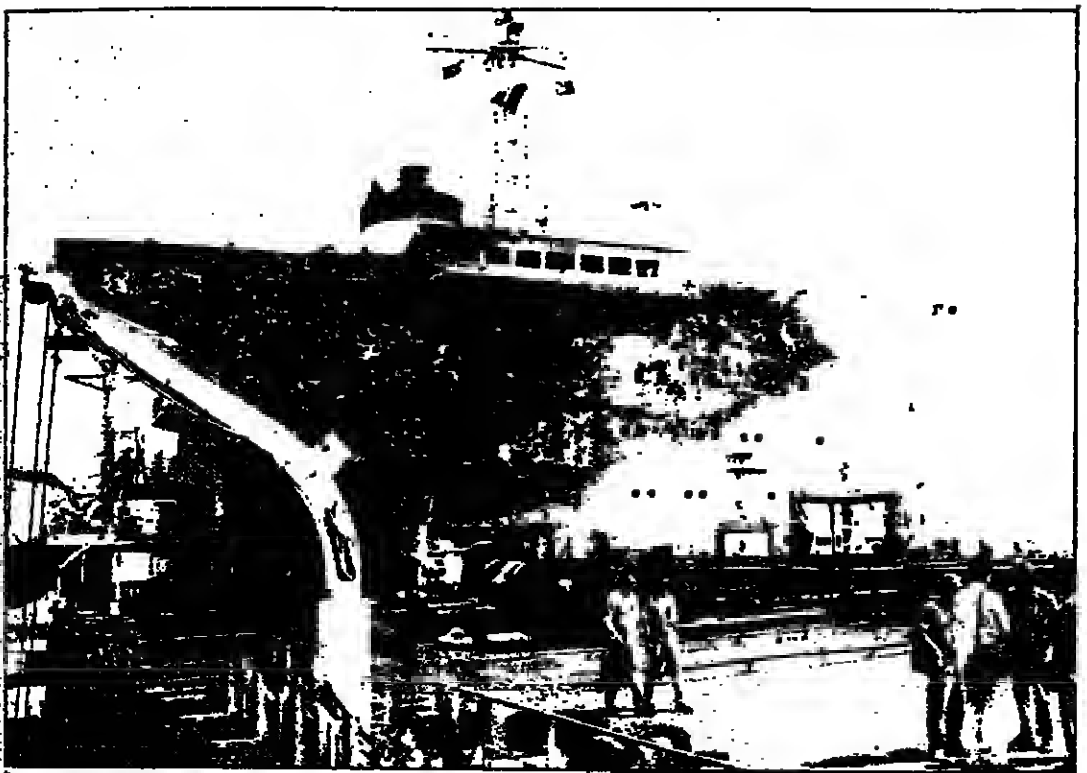
In September the immigration department announced that expatriates staying in Kuwait illegally would be granted a three-month grace period allowing them to leave the country and normalise their residence formalities. This was extended later to the end of January, 1988.

The new measures also specified that expatriates who remain outside Kuwait for more than six months would automatically lose their residence even if they are ignorant of the law which came into force on July 5.

The New Year may not bring quick solutions to the Gulf problems. Kuwait has done a lot to alert the world to the perils of prolonged hostilities in the region. It now counts on the international community to take decisive steps to put an end to the war which flared up in 1987 to make it one of the years many would be happy to forget.



A view of the damaged Pan American airlines office after an explosion.



The Sea Isle City after missile attack.



The US-flag Bridgeton which was holed by a mine in the Gulf.

هكذا من الأهل

Austrian minister offers to mediate to halt Gulf war

THE visiting Austrian Minister of Interior Karl Blecha yesterday expressed Austria's readiness to contribute in mediations to halt the war between Iraq and Iran.

Blecha told Kuwait news agency in an interview that Austria, as a neutral country, is always ready to play a role to end the Iraq and Iran conflict, stressing that Vienna supports the United Nations' Security Council resolution 598 ordering an end to the Gulf war.

"This war cannot be halted, but by a peaceful solution to be accepted by the warring parties," he said, adding that Austria supports an arms embargo against the party that continues the war.

Denial
Press reports had reported that Iran had acquired 140 Austrian-made artillery pieces through an Arab state.

The minister denied that his visit to Kuwait was aimed at signing an arms deal, noting it is to exchange expertise and information in the police and security fields.

"The Kuwaiti police does not

need large quantities of arms," the minister said, noting that his visit came in response to an invitation from his Kuwaiti counterpart Sheikh Nawaf Al Ahmed.

Blecha concludes a five-day visit here and leaves for Dubai in the United Arab Emirates on a private visit.

Role
On Arab-Austrian relations, Blecha said former Austrian Chancellor Bruno Kriesky had played a distinguished role in enhancing these relations and had various positive stances toward the Arab issues in general and the Palestinian question in particular.

Speaking on the state of relations under current Austrian President Dr Kurt Waldheim, Blecha said the Arab-Austrian ties are healthy, adding, Waldheim since he was UN Secretary-General had been keen on cementing such links.

On international organised terrorism, Blecha said such terrorism cannot be combated unilaterally but through collec-

tive cooperation and coordination between states, stressing that his country cooperate with the Arab states to combat terrorism.

Tour
Meanwhile, Blecha and his accompanying delegation yesterday visited the special forces camp.

The minister was briefed on the special forces activities by assistant general director of the public administration for security installations Colonel Nasser Al Othman and director of the special forces Colonel Bader Al Marzouk.

They viewed a live exercise of dispersing acts of rioting and mock operation of aborting an attack on a motorcade.

They also exchanged token gifts on this occasion.

Later in the day, the Austrian Interior Minister visited "Sudu House" in Kuwait City, where he was acquainted with bedouin wool weaving.

Blecha expressed admiration at the traditional Kuwaiti hand-



Sheikh Saad with the delegation.



Palestinian women singing patriotic songs. (Picture by Ahmad Al Borignil).

Palestinian women hold sit-in

A SIT-IN was held at the PLO Women's Union Headquarters in Jahriyah yesterday to express solidarity with the Palestinian uprising in the occupied territories. The sit-in observed a two-hour silence to commemorate those who have been killed in the uprising and afterwards patriotic songs were sung and slogans chanted.

Sham Al Dabbagh, head of the Women's Union, said that many telegrams and messages were sent to organisations like the United Nations, the Organisation of Islamic Conference and

other international bodies which support the PLO's stand against Israeli oppression. She said that the main purpose of the sit-in was to let the people in the occupied territories know that "we are supporting them in their struggle."

She explained that even the Arabs of Al Jalcei who were given Israeli citizenship in 1948 have condemned the Israeli brutality and expressed their solidarity with the Palestinians.

Al Dabbagh said that thousands of dinars had been received in donations and that

this money would be sent to the victims of the uprising, and their families through various confidential channels.

She commented that the uprising is the real beginning of the Palestinian renaissance inside the occupied territories and if continued it would inevitably lead to the restoration of Palestinian rights.

The Palestinian community in Kuwait has responded enthusiastically to the uprising and the people in the West Bank and the Gaza Strip are fully aware of this support, she added.

Britain welcomes summit outcome

LONDON, Dec 30, (Kuna): British officials today welcomed the positive outcome of the GCC summit in Riyadh, describing the meeting as successful.

They pointed out that Britain has always wished the Gulf Cooperation Council well and supported its objective in establishing cohesion and political unity among the six GCC nations.

The officials especially emphasised the importance of the resolutions adopted by the GCC and calling for an early end to the Iran-Iraq war.

The council's attempt to remind the world of the UN resolution 598 also coincided with the renewed international resolve demonstrated now to bring the Gulf conflict to a speedy and peaceful conclusion, they added.

Meanwhile, Britain is expected to concentrate its efforts, after assuming the Security Council presidency at the beginning of January, on working on a mandatory UN resolution, including an arms embargo against Iran.

Delegation
Sir Crispin Tickell, Britain's permanent representative at the UN, will contact his counterparts as soon as they return from the new year break.

British officials were now confidently optimistic that the Soviet Union would support enforcement measures including the arms embargo against Iran.

In a related move, the Foreign Office expects to receive information in the near future about a forthcoming visit to Britain by a GCC delegation as part of an effort designed to convince the five permanent members of the Security Council to implement a ceasefire in the Gulf.

However, a spokesman for the department could not specify today who will lead the GCC

delegation to the UK.

The six member states of the council ended yesterday a four-day summit by adopting a communique condemning Iranian attacks on Gulf shipping and demanding the enforcement of the UN Security Council resolution 598.

The British media highlighted today the importance of the GCC summit, underlining that there are signs that the tides are changing in the Gulf against Iran.

The Times newspaper stressed that the Amman summit and the Gulf Cooperation Council meeting have succeeded in bringing to the world's attention the great dangers involved in any further escalation in the Iran-Iraq dispute.

Sanctions
Another influential newspaper the Financial Times noted that the Security Council was finally moving towards the enactment of sanctions against Iran after persuasion has failed.

The main business daily called for the adoption of a new UN resolution giving "the teeth" to the previous document passed by the Security Council on July 20.

The paper condemned Iran for not showing the necessary flexibility to accept a UN ceasefire demand.

However, it raised doubt as to whether an arms embargo would end the war or cut Iran's supply lines.

Later, senior government sources in London said that Britain shared the GCC's concern about the continued escalation of the Gulf conflict.

They emphasised that the British attitude on the dispute is exactly the same as that adopted by the six Arab Gulf states.

The government sources

noted that the GCC summit succeeded in giving the impression of "unity and resolve."

Kisr focusing on developing food resources

DR Homoud Rqobah, the Director of Kuwait Institute for Scientific Research (KISR), said that the research done at KISR focused on developing food and water resources, the oil and petrochemical sector and the environmental and industrial production studies. He added that the most important achievement of the institute for 1987 was getting three patents for agricultural and chemical inventions.

Al Rqobah said that KISR had completed a programme of producing 40 tons of subabti fish at its pool this year and had offered these fish for sale on the local market. He added that KISR had also submitted a plan to the Public Authority for Agriculture and Fish Resources to develop Kuwait's fish resources during the coming 20 years.

The director said that KISR will carry out several projects in 1988 which include studies on ways to develop hamour fish production and the effect of food and climate on poultry.

No decision yet on AIDS treatment centre

YOUSUF Al Ateeqi, the Assistant Undersecretary for Public Services of Kuwait's Health Ministry, said that the ministry had not yet reached a decision about whether to establish an AIDS treatment centre in Kuwait. He added that the question is still being studied and that no budget has been allocated for such a project at this time, but if the centre is approved it will be for treatment of all contagious diseases, not just for AIDS.

Al Ateeqi said that a hospital will be built in the Mishref area to serve people in that area and some of the people in Adan Health area.

Sheikh Saad lauds heroic Palestinian struggle

HH the Crown Prince and Prime Minister Sheikh Saad Al Abdullah yesterday expressed pride in the heroic Palestinian struggle for the liberation of Palestine.

Sheikh Saad made the remark in an audience with a Palestinian delegation that included director of the Palestine Liberation Organisation office here Awni Battash at the Council of Ministers premises yesterday.

Sheikh Saad said all Arabs stand with the Palestinian people in their just fight against the Israeli occupation.

He noted that, Kuwait's support to the Palestinian cause is a national and pan-Arab duty.

Sheikh Saad appreciated the Palestinian contribution in the progress of Kuwait, stressing the need for Arab unity for the liberation of Palestine.

For his part the PLO representative here expressed thanks for the Kuwaiti support of the Palestinian uprising and revolutionary

Battash renewed the PLO's support and solidarity with Kuwait against any aggression.

Amir receives cable from King Fahd

HH the Amir has received a cable from Custodian of the two Holy Shrines, King Fahd Bin Abdul Aziz of Saudi Arabia in reply to the one which the Amir sent to the Saudi monarch on Tuesday following the conclusion of the eighth GCC summit in Riyadh.

In his reply cable, the Saudi monarch expressed heartfelt pleasure at having played host to the Amir during the four-day summit.

King Fahd pointed out that the GCC leaders' gathering embodied bonds of amity and fraternity between their six states making up the council.

The custodian of the two Holy Mosques asserted that efforts, prudence and views shown by HH the Amir and other summiteers are to be credited for the constructive and fruitful outcome of the GCC summit.

The Saudi leader emphasised that GCC countries are pursuing stronger cohesion, regional security and stability, national welfare and closer Arab and Islamic cooperation.

Concluding, King Fahd expressed heartfelt wishes of good health and happiness to the Amir and welfare and prosperity to the people of Kuwait.

ROYAL COURT

Message from Maldives

HH the Amir yesterday received a message from President of Maldives Ma'moon Abdul Qayyum expressing his government's and people's deep concern on Israel's brutal actions against the Palestinians in the occupied territories.

The message affirmed his country's readiness to participate in all international efforts taken to force Israel to put an end to its suppressive policy in the occupied territories and preserve Palestinians' lives and properties.

The message comes in response to one sent by the Amir to the leaders of the Islamic countries in his capacity as head of the Islamic conference on the situation in the occupied territories.

Crown Prince audiences

HH the Crown Prince and Premier Sheikh Saad Al Abdullah yesterday received at his office Deputy Premier and Minister of Foreign Affairs Sheikh Sabah Al Ahmed, president of the Chamber of Commerce and Industry Abdul Aziz Hamad Al Saqer, the Minister of State for Cabinet Affairs Rashed Abdul Aziz Al Rashed, the Minister of Housing Affairs and Acting Minister to Municipal Affairs, Nasser Abdullah Al Roudan in addition to Ahmed Governor Sheikh Ali Sabah Al Salem.

Sheikh Saad also received a number of civilians at the public dawn.

Cable of thanks

HH the Crown Prince and Prime Minister, Sheikh Saad Al Abdullah, received a cable from the chairman of Kuwait Boxing Union dedicating to Sheikh Saad the golden medal won by Kuwaiti heavyweight boxer, Ali Al Boloushi.

The medal was won at the 13th Asian championship for amateur boxing held in Kuwait December 19 to 24, declaring Boloushi the Asian, Arab and Kuwait champion.

The cable expressed thanks to Sheikh Saad for the fatherly care and constant encouragement to sports and athletes forming on incentive for them to assume leading positions in different sports fields.

Sheikh Saad sent a reply cable in which he expressed thanks for the good feelings and congratulations to the Kuwait Boxing Union for winning the medal, and wished them constant success in serving the country.

KUWAIT PRESS DIGEST

GCC summit outcome hailed

KUWAITI newspapers yesterday hailed the outcome of the 8th GCC summit, noting the essence of the final statement emanates from Arab decisions.

Editorially commenting on the Riyadh-hosted summit of the supreme council of the Gulf Cooperation Council, Al Anbaa said the summit's final communique clearly reflected the will of the Gulf people and the far-sightedness of the GCC leaders.

The Gulf policy toward the 87-month-old Iraq-Iran war, as stated in the final communique, was in total harmony with the Arab decision in this regard adopted last month in the Amman Arab emergency summit, the paper said.

Al Anbaa indicated that notwithstanding the statement's smoothly worded attitude toward the Gulf war, it did not fail to condemn the Iranian procrastination aimed at continuing and expanding the war.

The summit, which came to an end on Tuesday, expressed full support to the Palestinian people's rights to statehood and self-determination and highly commended the ongoing uprising in the occupied Palestinian land.

Al Rai Al Aam, meanwhile, said the seven-year-old GCC has achieved "miracles" in comparison with the 50-year-old Arab League and even with the EEC which is still suffering from various shortcomings in different fields.

The paper said the Summit resolutions did not cover only Gulf issues, but also expressed clear stands toward Arab and Islamic questions which implies that Gulf coordination has become the most important pillar of joint Arab action.

Slaughter house to be modernised

SHEIKH Salem Mohammad Al Sabah, the Director of Slaughterhouses at Kuwait Municipality, said the major changes would be made in the central slaughterhouse building to improve the existing situation.

He said that the Municipality Affairs Committee had decided to develop and modernise the central slaughterhouse building in line with international standards and to set up authorised units to take care of religious offerings during appropriate occasions.

He said that the Minister of State for Municipal Affairs had defined the functions and tasks performed by the Personnel Department and that these tasks included the inspection of recently butchered meat, imported poultry and meat and other animal products.

He said that work would soon begin on the Saheed and Falaika Slaughterhouses.

Lebanon's mufti calls for dialogue

LEBANON'S Mufti Hassan Khaled was quoted yesterday as denouncing confessionalism and urging his warring countrymen to initiate dialogue between them to end Lebanon's 12-year-old civil war.

Khaled, in an interview published in a Kuwaiti newspaper stressed however that all Lebanese sects should and can live together in peace without prejudices and violence "because one wishes to eliminate the existence of others."

Khaled put much of the blame of Lebanon's plight on local militias which he said were blocking a fair settlement that could reunite the country.

If a political agreement continued to elude the Lebanese Lebanon, according to its Muslim mufti, will be left to face

either a constitutional vacuum or a sectarian president who steers the country to a "catastrophe."

He told the newspaper liberation of south Lebanon from the Israeli occupation could be won only through political and military pressure on the enemy.

Citing fierce resistance to the occupation forces in the south, the mufti stressed that the Lebanese would never relinquish their national rights.

Khaled defended Palestinians' armed presence in Lebanon but noted it needed better organisation "to protect itself and protect Lebanon."

This, he said, could be secured through an overall Arab strategy that would help Palestinians fight for their national cause with an integrated plan.



Kuwait's Information Minister, Sheikh Nasser Al Ahmed, yesterday met the mufti of Lebanon, Sheikh Hassan Khaled. The meeting was attended by the ministry's Undersecretary, Abdul Aziz Jaffar (right).

Cancer is third top killer

DR Youssef Omar, the Director of Kuwait's Cancer Society, said that cancer is the third highest cause of death in Kuwait and that deaths resulting from road accidents is the second highest cause of death.

Dr Omar, speaking at a seminar about cancer disease at Kuwait Medical Society, said that there are about 36 cases of cancer per 100,000 Kuwaiti males and 35.5 cases of cancer per 100,000 Kuwaiti females. Among non-Kuwaitis there are about 52 cases per 100,000 among males and 55 cases per 100,000 among females. He added that statistics show that lung cancer has increased over the last two years and liver and colon cancer has increased in the last two years.

Dr Najim Abdul Wahed, the Head of Kuwait Medical Society's Scientific Committee, said that smoking is the real enemy and encouraged physicians to set an example for patients by not smoking. He added that the most common kind of cancer among women is breast cancer.

Discount on landing fees

THE Kuwait Civil Aviation has decided to give between 30-40 per cent discount to some international airlines on landing fees and services.

A responsible source in the aviation higher council told Kuna that the discount is offered to the airlines which use Kuwait International Airport but whose airports are not frequented by Kuwait Airways.

American musicians on goodwill tour

A GROUP of American musicians on an "Indiana University Goodwill Tour" will give a one-day concert of opera music next week.

The group of 10 professors and post-graduate students have been invited by the Ministry of Information. They will present La Boheme by Puccini, La Traviata by Verdi, Pearl Fishers by Bizet, Tosca by Puccini, Rigoletto by Verdi and Daughter of the Regiment and Lucia Di Lammermoor by Donizetti.

The members of the group are Carlos Montae, Norman Phillips, Andrea Adkins, Victoria Atwater, Ruth Ann Vowen, Kelly Oskow, David Utkin, Tod Kowallis, Gary Lebman and Richard Carsey.

They will tour Pakistan, Bahrain, UAE and other countries in Asia and the Gulf.

The concert in Kuwait will be

held on Monday, Jan 4, at 7.30pm, in the auditorium of the Special Institutes, Cairo Street, Hawalli. Admission is free. Adults and children over 15 years of age are welcome.

Modernisation of telephone network

A RESPONSIBLE source at Kuwait's Communications Ministry said that the ministry had completed the fourth stage of their modernisation project and had offered tenders for telephone networks in the Ardhiya, Abu Halifa and Jileeb Al Shiyoukh areas.

The project began in December 1986 and is expected to be completed in two years. The source added that a tender had also been offered to extend the telephone networks in the Salwa and Fintas areas.

Egypt-GCC joint arms project

CAIRO, Dec 30, (UPI): Arab leaders of the war-torn Gulf have decided to jointly produce weapons with Egypt and have pledged "more than \$1 billion" toward the project, the semi-official newspaper Al Gomhuria said today.

Mohsin Mohammed, editor of the state-controlled newspaper, reported the six members of the Gulf Cooperation Council (GCC) agreed at their eighth summit, which ended Tuesday in Saudi Arabia, to cooperate with the Cairo-based Arab Industrialisation Organisation (AIO) in "advanced weapons" production.

The organisation was founded in 1975 by Egypt, Saudi Arabia, Qatar and the United Arab Emirates, but the nations froze their membership in the Cairo-based group in 1979 to protest Egypt's peace treaty with Israel.

Revive

Writing from Riyadh, where the four-day GCC summit was held, Mohammed said the decision to revive cooperation with the organisation was taken by the GCC leaders. Their nations, close to the front line of the 7-year-old Iraq-Iran war, are in "desperate need" of advanced arms," Mohammed said.

"The initial contribution of these (six GCC) states would be more than one billion dollars," he said.

The report comes amid rapidly warming ties between Egypt and most Arab states following the rupture with Cairo to protest the Egyptian-Israeli accord.

Saudi Arabia, Qatar, Bahrain, Kuwait and the United Arab Emirates resumed full ties with Egypt in November after the Arab League authorised Arab capitals to do so. Oman, the sixth GCC member state, never broke with Cairo.

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ARAB TIMES

Thought for today

ALWAYS remember that your own resolution to succeed is more important than any other one thing — Abraham Lincoln, US President (1809-1865).

Prospect of Mideast peace pushed back

By Howard Goller

TEL AVIV (Reuters): December unrest in occupied Arab territories, during which Israeli troops have killed at least 22 Palestinian demonstrators, has polarised opinions on both sides and appears to have put back prospects for a Middle East peace settlement.

Israeli leaders and scholars said peace efforts were the biggest loser and neither side would draw lessons from 15 days of riots which spread from the occupied Gaza Strip and West Bank, captured in the 1967 Middle East war, to Arab towns inside the Jewish state itself.

Meron Benvenisti, an Israeli researcher who for many years has published an annual survey of West Bank statistics, said: "Of course there are lessons, but what happens usually is that people draw the same conclusions they arrived at before."

Notions

The unrest seemed only to bolster each side's preconceived notions.

The main concerns of many Israelis were restoring order and mitigating the damage done to their international image by the killing of Palestinian demonstrators.

Washington, Israel's closest ally, accused Israeli troops of using excessive force. Israel's immediate reaction was to arrest more than 1,000 Palestinians and put hundreds on trial while launching a campaign to counter newspaper and television images abroad of soldiers clashing with Palestinian demonstrators.

The question of finding a peaceful solution to the Arab-Israeli problem ranked third in priorities.

Poll

"We will not change our position, our attitude, under pressure from what has happened the last two weeks in the territories," Prime Minister Yitzhak Shamir's spokesman, Yossi Ahimeir, said.

Such a hard line might be expected from Shamir, whose rightist Likud bloc opposes trading captured land for peace with neighbouring Jordan — but not from Foreign Minister Shimon Peres, the Labour Party leader.

Peres, like Arafat leaders, favours an international framework to negotiate a Middle East peace settlement. But mindful of Israeli public opinion, both he and Labour Defence Minister Yitzhak Rabin avoided confronting Shamir over the unrest.

In separate interviews on US television, both said the unrest did not help peace efforts.

A recent poll in the Israeli newspaper Yedioth Ahronoth showed 69 per cent of Israelis wanted a tougher stance in the occupied areas, 23 per cent

backed existing policy and seven per cent supported a softer approach.

Another survey showed Israelis as divided as their government over whether to exchange land for peace.

Warning

The "Peace Now" group, which drew 400,000 Israelis to a famous rally against Israel's invasion of Lebanon in 1982, demanded an end to the 20-year occupation of the West Bank and Gaza Strip. But it attracted only 4,000 demonstrators to two rallies.

Even Amran Mitzna, the Israeli Army's central commander, warned the military could not provide a complete and decisive solution to the political problems of the occupied areas.

But some Israelis say that not only their own people failed to draw lessons from the unrest.

"I think the same is true on the other side," Benvenisti, a former deputy mayor of Jerusalem, said.

"There is a euphoric feeling among Palestinians. This will go down in history as a rebellion, and it will become a myth. And this myth is not going to help them conceive new and positive policies," he said.

Yasser Arafat, leader of the Palestine Liberation Organisation (PLO), described the unrest as "an uprising" and restated his commitment to a settlement to be negotiated at a United Nations-sponsored peace conference.

In occupied Jerusalem, Palestinian publications and spokesmen said the lessons were primarily for Israelis to draw.

Struggling

"I think any Israeli should awaken from his dream nowadays and realise that there are two peoples in Palestine — the Palestinian people and the Jewish people," said Mahdi Abdul-Hadi, president of the Palestinian Academic Society for the Study of International Affairs (PASSIA).

The uprising began on Dec 28 after four Gazans were killed when an Israeli Army truck collided with their vehicles. The Army denied widespread rumours that the truck driver staged the crash to avenge the death of an Israeli who had been killed in Gaza.

Both sides believe they are struggling for survival.

Nearly 40 years after the creation of Israel, Shamir was still telling a nationwide television audience: "We want to fight for our lives."

Most alarming for many Israelis was a "peace day" strike observed by the 560,000 Arab citizens of Israel in sympathy with the 1.5 million Arabs of the West Bank and Gaza Strip. Violence erupted in Jaffa, a mixed Arab-Jewish area next to Tel Aviv.

Potential sources of nuclear proliferation

By Peter N. Spotts

BOSTON: When Brazil or India announces that it has launched space or atmospheric experiments using home-grown rockets, it is often seen as a sign of progress.

But others look at those same rockets and quickly point out that a vehicle that can launch a 1,000-pound satellite can also send conventional, chemical or nuclear weapons hurtling toward a longstanding enemy.

As a national-security concern, "ballistic missile proliferation is right up there with nuclear proliferation. The two are becoming interlinked," says Andrew Goldberg, a national-security studies fellow at the Georgetown Centre for Strategic and International Studies. "Ballistic missile proliferation will be one of the key areas of technical tension in the 1990s."

Not surprisingly, the initial nuts and bolts of missile technology, as well as the know-how to implement it, have come largely from the US and the Soviet Union, according to the Congressional Research Service (CRS), which has produced two reports in the last 20 months on the topic.

Both superpowers have sold short-range military missiles to some of their client states, especially in the Middle East, according to the CRS. The missiles have ranges from about 100 to 500 miles, depending on the type, and varying degrees of

accuracy, depending on what guidance system, if any, is used.

Besides acquiring missiles designed specifically as surface-to-surface weapons, technologically advanced countries can modify other types of missiles for that use. For example, the CRS notes that South Korea modified US Nike Hercules anti-aircraft missiles for use against ground targets, then used that experience to develop its own surface-to-surface weapon with a range of between 300 and 400 miles.

Modified

But the sale of military missile systems to countries not considered major military powers makes up only part of the picture. Concern is also growing over the ability of countries such as India, Brazil, Argentina, and Israel to lift rockets they've built themselves. Many of the countries involved are also states believed to be standing on the threshold of building nuclear weapons.

In Israel's case, the missile in question, the Jericho II, was designed specifically for military use. Unofficial reports give the missile a tested range of 600 miles and a potential reach of 900 miles. This would bring under its shadow some Soviet oil fields and naval bases as well as all Arab capitals.

Iraq recently claimed to have tested its own surface-to-surface missile with a range of 400 miles, which would bring Israel well within range.

(The Christian Science Monitor)

Irregularities at the Indian School

SIR: I would like to thank you, on behalf of all expatriates, for exposing innumerable malpractices — such as unscrupulous recruiting agents who are exploiting Asians.

The primary job of these so-called agents is to trap innocent men and women by making false promises. Stealthily, they are robbed of everything. Even teachers and principals have become the victims of such recruiting agencies. Two agents conduct their business under the banner of a private school — the head of the institution has become the cat's paw. Such social parasites must be exposed to the public.

We thank you for the hold report on Appukuttan's dilemma in your newspaper. If that report had not been published, Appukuttan would have been packed off to India.

A number of irregularities have been committed by the Indian School board. Before taking a decision they should analyse their activities. Is there

anyone who does not indulge in money-making? Why are the director's sitting tight in their chairs? Why are teachers victimised?

At the start, the Indian School was conceived as a community institution. Indians begged and borrowed to set up the school. Now the school has become a feudal property. Outgoing board members name their successors, who are invariably sons, sons-in-law or other relatives.

A board member is well-known for his bureaucratic past in India. This man works hard — yet the school is in the red and has a deficit. Why?

The benevolent sponsor of the school does not take any profit? Where does the income go?

Why doesn't the school have its own building? Men who worked for this institution have been conveniently obliterated.

The present management indicts teachers, accusing them

of being ennu. What about motivating them by giving increments?

I suggest that the school board be placed under the Indian ambassador, rather than retain it as a feudal property of some members. I hope this will be done for the benefit of thousands of Indians in Kuwait.

A parent (Name and Address supplied)

Reduction in mail

SIR: This refers to a recent news report about reduced work load at the post office department due to the introduction of the computerised automatic sorting system.

There has been reduction in mail mainly because many expatriates have stopped posting letters in Kuwait. Many Pakistanis, Indians, Bangladeshis, Sri Lankans and Filipinos send their mail with friends who go home on holidays. Mail from overseas is also brought by incoming passengers. This is one reason why the work load has reduced at the Post Offices' sorting offices.

Regrettably, many private and public companies are not

complying with the postal code rules. They don't write the address accurately.

The postal code and area must be written in the second line; and in the last line the pin code, area and country. People should write accurate address to avoid delays.

Maqbool Butt, Safat.

Simply disappointing

SIR: Regrettably, KTV2 did not report the death of Tamil Nadu Chief Minister M.G. Ramachandran on Thursday, Dec 24. MGR was a statesman and a politician and regarded highly by most Indians, who were disappointed when KTV neglected this particular news item.

However, we were very surprised when MGR's death was reported on the 10 o'clock News on KTV1. If the news was worth showing on an Arabic channel, why wasn't it worth including in the English broadcast? I don't understand how the English channel missed the news item when the Arabic one picked it up.

Most foreigners rely on

KTV2 news broadcasts to get news about world events, particularly from their home country. KTV 2 always disappoints the foreigners. It is a pity they don't cater to the English-speaking viewers.

Y.G. Sessa Reddy, Safat.

MGR's death a great loss

SIR: I was shocked to learn about Tamil Nadu Chief Minister M.G. Ramachandran's death, which ends a glorious era of Tamil Nadu. MGR was "makhal thilakam" (the darling of masses). He was deeply sympathetic of the problems of the poor, protected and respected women and opposed law-breakers.

MGR, like his predecessor Annadurai, was a prominent social worker and was responsible for the prosperity of Tamil Nadu. Thousands of Tamils worshipped him like a deity.

He was so widely admired and respected that people forgave his mistakes. Millions in India must be mourning the sad demise of the film star-turned-politician. India has lost a great patriot.

T. Philip Safat.



Enough

SIR: We would like to ask the KTV2 to bring back "Open All Hours" starring Ronnie Barker. I used to look forward to this programme all week and now it has been replaced by yet another wildlife film. I'm ready to take a degree in zoology after watching KTV2. Come on KTV2. Enough is enough.

G. Halder, Ahmadi.

ALL letters to the Editor must contain the writer's name and address. Publication is at the discretion of the Editor and letters are subject to the editing process for space or other reasons.



Reagan turns the page on his toughest year

By Terence Hunt

WASHINGTON (AP): From the lows of the Iran-Contra affair to the highs of the superpower summit, President Ronald Reagan turns the page on the toughest year of his presidency and prepares to count down his final months in office.

Reagan's seventh year in the White House was filled with defeats and disappointments, as well as the pain of watching his wife, Nancy, undergo surgery for removal of her cancerous left breast, and then grieve the death of her mother.

The President had his own medical problems. In January, he underwent surgery for an enlarged prostate, and also had four benign polyps removed from his colon. In July, doctors removed a patch of skin cancer from his nose.

Outwardly, Reagan seemed upbeat and optimistic. White House chief of staff Howard Baker said the President was essentially "a happy man," buoyed by a new arms treaty with the Soviet Union and his wife's recovery.

However, Mrs Reagan said: "It's not been a great year. It's been the lowest I think you can get."

With the upcoming presidential election campaign, Reagan's achievements in 1988 probably will be limited. "In terms of his capacity to do anything, I think it's pretty much washed out," said James David Barber, a presidential scholar and political scientist at Duke University.

He said the past year "has clearly been a delusion and a debacle" with revelations that the President was not a decisive leader and was detached from key areas of policy-making.

With Congress firmly in the hands of opposition Democrats, Reagan's political clout and prestige were severely undercut by the Iran-Contra affair. A majority of Americans thought the President was lying about the episode, according to polls, and Congress no longer seemed afraid of him.

The Reagan magic seemed to have vanished. Unlike earlier years, when he took his case to the people in 1987 and asked them to lobby Congress, there was no response.

On two major issues where he waged a veto fight — a costly highway bill and a water cleanup measure — Congress overturned him.

Outwardly, Reagan seemed upbeat and optimistic. He was buoyed by a new arms treaty with the Soviet Union and his wife's recovery.

His call for an "economic bill of rights" with a constitutional amendment for a balanced budget was abandoned.

Twice Reagan failed to get his nominee on the Supreme Court: first Robert Bork after a politically charged fight and then Douglas Ginsburg after an embarrassing revelation he had smoked marijuana.

His third nominee for the seat, Anthony Kennedy, appears likely to win confirmation.

Longtime aide Michael Deaver was convicted of lying to a congressional subcommittee and a federal grand jury. Attorney General Edwin Meese, another longtime associate, was

under investigation by two grand juries. And longtime friend Lyn Nofziger faces trial on charges of violating federal ethics laws.

The White House staff has been revamped in the past year because of the Iran-Contra mess.

Plus

Though no one held him personally responsible, the stock market collapsed 508 points on Oct 19. It was a particular blow for a president who prided himself on bolstering free enterprise and forced him to drop his once-rigid opposition to tax increases.

However, the President boasted that the business recovery from the 1981-82 recession had been the longest in post-war history — 60 months.

The Iran-Contra affair came to a head Nov 18 when the House and Senate investigatory committees issued their report on the matter. The congressional report said Reagan set a tone of leadership that led aides to believe they could skirt the law.

The report said this atmosphere spawned a "caval of zealots" in the White House who displayed a "disdain for the law."

The one big plus of the year was the summit, a three-day extravaganza of meetings with Soviet leader Mikhail Gorbachev that riveted world attention.

It produced the signing of a treaty to eliminate intermediate-range nuclear missiles, and held out the hope of achieving another agreement, to cut long-range strategic weapons by about 50 per cent.

Reagan is supposed to visit Moscow for another summit before June, and a treaty — or the outline of one — might be ready for signing then. Even without an arms agreement, both sides are planning for another summit.

The majority of children do not have access to milk any more. There are children who are getting one meal a day, of bread sprinkled with thyme.

Lebanese face bitter fight for survival

By Jim Muir

BEIRUT: Lebanese, who have lived through the bombs and bullets that have claimed scores of thousands of lives, now face a bitter fight for survival against a crushing economic collapse.

The drastic decline of the national currency, skyrocketing inflation, and a breakdown of many public services make meeting life's basic needs a major preoccupation for almost all social classes.

"The majority of Lebanese children do not have access to milk any more, and the quality of the food they are getting has dropped badly," says Marwan Sidani, acting director of the Lebanon programme, for the British branch of Save the Children Fund. "We know of 100,000 families, with some 200,000 to 300,000 children under six, in dire need of help. They have had to cut such staples as oil, grains, sugar, and milk, and they live off bread, which is subsidised. Even that takes up 70 per cent of their income."

"It is not starvation yet, but it is threatening. I can show you children who are getting only one meal a day, of bread sprinkled with thyme," Sidani says.

Destroyed

The main pillars of the once-booming Lebanese economy — notably tourism, banking, and services — were either destroyed or badly damaged by successive rounds of civil strife since 1975.

After holding firm against the United States dollar for the first 10 years of crisis, the Lebanese pound first showed signs of weakening in the summer of 1985. Economists and bankers warned that a major economic crisis was inevitable unless a political settlement brought stability.

But there has been no political solution. The economic crunch has arrived with a vengeance. "It represents the cumulative result of all the years of destruction, the progressive erosion of the country's social and economic fabric, and general despair over the prospects for a political settlement," says economic consultant Riad Khouri.

After a steady decline since last year, the Lebanese pound (L) nosedived in recent months to its current level of around 500 to the dollar, with no floor in sight. Since most of the country's consumer goods and footstuffs are imported, prices have soared, often doubling or tripling in the space of weeks or even days.

One recent report assessed the current annual rate of inflation at 678 per cent.

Expectations

For many workers taking home the minimum monthly wage, the L (str) 8,600 they earn is now worth a paltry \$17. That is not enough to buy two small sandwiches a day.

"If I buy one tin of powdered milk and one packet of disposable diapers — not enough for a month — I have already spent more than the minimum wage," says Lillian Dagher, a mother of three.

While the wealthy elite were able to switch their capital into dollars or other hard currency early on, people whose income is fixed in Lebanese pounds — the vast majority of blue- and white-collar workers and public officials — have found themselves reduced to subsistence level.

Bankers say there is a great deal of private wealth that would re-enter the economy as soon as political settlement was reached, and few economists doubt that there would be something of a boom. But the chances of a settlement being reached between estranged Christian and Muslim leaders appear as remote as ever. The general prediction is that the country faces its longest and darkest winter yet.

Prices of everything from clothes to cement — all but the most basic commodities — are now set in dollars and translated into Lebanese pounds at the prevailing daily rate. For those with incomes in the local currency, this has carried prices into the realm of fantasy.

It is like an American waking up to find that a soft drink costs \$100, a pair of shoes \$5,000. The price of a restaurant meal for four would have bought a limousine a few years ago.

"Life became totally impossible," says Abdullah Qasim, one of many breadwinners who, having stuck it out through all the upheavals, are now forced to seek work abroad and send cash home to their families. "My last job working for a Muslim charity was paying L (str) 9,000 a month — about \$18. With three teenage children in school, how could we begin to live on that?"

Lifeline

Hard-currency remittances from relatives abroad have become a lifeline for thousands of Lebanese families. A few hundred dollars sent from outside may have to spread across an increasingly large family network, as needy relatives turn to kin for help.

Community-based charities among both Muslims and Christians have taken on an increasingly important role in helping those most in need. Outside aid organisations are working hard to keep starvation at bay, too. The Lebanese state, paralysed, fragmented, and almost bankrupt is unable to help.

Signs of the hard times are apparent on Hamra Street, Beirut's equivalent of Fifth Avenue in prosperous pre-war days. Every morning, the sidewalks are jammed with people buying and selling dollars.

"Everybody changes their

salaries into dollars at the beginning of the month, and their fortunes rise and fall with the dollar," says a Beirut banker. A half-dozen local radio stations give hourly updates of exchange rates.

On a side street, a Sunday morning flea market has sprung up, offering a hizarre and depressing assortment of used and stolen articles, ranging from a grand father clock down to small pieces of old electrical wire and hose pipe and other worthless items, some of them scavenged off street-corner garbage heaps.

"The people who go through the garbage are not finding much nowadays," says one West Beirut resident. "Very little that might be worth anything at all is being thrown away now, and what there is, gets picked out straight away."

Worries

In addition to the economic squeeze, the difficulties of life in Beirut are aggravated by frequent shortages of basic commodities and essential services. Lengthy and unpredictable power blackouts occur almost every day. Making a few local phone calls can be a frustrating day's work, and calls between East and West Beirut are virtually impossible.

"We Lebanese are worrying all day long about gasoline, about bread, about electricity, about medicines — we don't have time to think about anything else," says Muhammad Aboud, a carpenter.

Because gasoline, bread, and bottled gas for cooking are subsidised, supplies disappear onto the black market or are smuggled abroad. Members of the warring sectarian militias are widely accused of leading the racketeering.

Only after the government recently raised the official price of gasoline to L (str) 111,400 for 20 litres (it was L (str) 1,117 a few years ago) did supplies begin to reappear at gas stations, albeit with a multi-percentage tacked on. The militia mafiosi, some merchants, and people on dollar salaries survived and even prospered.

"The government has been subsidising the militia, and is being bankrupted by them," says one militia official.

The Christian Science Monitor.

TODAY IN HISTORY

- 1494 — Forces of France's King Charles VIII enter Rome.
- 1810 — Russia's Tsar Alexander introduces new tariffs aimed at French goods.
- 1851 — Austrian constitution is abolished.
- 1879 — US inventor Thomas A. Edison gives first demonstration of his electric incandescent light at Menlo Park, New Jersey.
- 1919 — Britain, Japan and United States sign agreement on East Siberia.
- 1946 — End of World War II is proclaimed officially by US President Harry S. Truman.
- 1956 — President Sukarno proclaims state of siege in Sumatra, Indonesia.
- 1961 — Lebanon's Army prevents coup attempt in Beirut by Syrian Popular Party.
- 1963 — Central African federation of Rhodesia and Nyasaland is dissolved.
- 1964 — Indonesia's President Sukarno threatens to quit United Nations if Malaysia is given seat on Security Council.
- 1966 — United States says it will halt bombing of North Vietnam when Hanoi assures that it will discuss peace terms seriously.
- 1968 — UN Security Council censures Israel unanimously for helicopter commando raid on airport at Beirut, Lebanon.
- 1973 — Cuba's Premier Fidel Castro tells troops that Cnbatall faces danger of military aggression from United States.
- 1986 — Europe reacts angrily to US announcement of steep tariffs on European goods.

هكذا قال الامم

WHAT'S ON

SOCIAL

Vienna Boys Choir
VIENNA Boys Choir will give one performance at 8.00 pm on Jan 5 (Tuesday) in the Grand Ballroom at Kuwait Hilton Hotel. They will play a 40 minute piece by Johann Strauss - Tales from the Vienna Woods. They will also present excerpts from compositions by Franz Schubert, Peter Eben, Henry Purcell der Viadana and Benjamin Britten.

ASK Alumni Dinner
Friends and graduates of the American School, Kuwait, will hold an alumni dinner at Regency Palace Hotel on Jan 3. The Arabic buffet will begin at 8 pm. For details phone Mrs Suzy Jones - 5314568.

Tareq Rajab Museum
The museum has been closed for renovation. It reopens at the end of January and will display manuscripts, ceramics and textiles.

German-Speaking Cultural Association
The next meeting for German speaking women will be held in the New Year - on Sunday, Jan 3, 10 am, at the Kuwait Hilton Hotel. All German speakers are welcome.

Concert
Americo vocalists will give a concert on Jan 4 at 7.30 pm in the auditorium of the Special Private Institute (Cairo St., Hawalli).

HOTELS

Al the Ramada Al Salam
Special children's brunch parties will be held every Friday, beginning this week, in El Bender. Lots of fun and games will be provided from 12 noon to 3 pm.

At the Hilton
Ring in the New Year in style at the Failaka Restaurant, featuring dinner on Thursday night, dine to music by the Magnetic Band. Failaka Restaurant will be open on New Year's Day for lunch and dinner.

La Palma, open from 6.30 am till midnight, features a special lunch and dinner buffet on Thursday, Friday and Saturday.

At the Holiday Inn
Pastries, stills and logs for the festive season and New Year are available at the Lobby Lounge. Lunch featuring seasonal food will be served at the Coffee Shop, Al Dana and Al Andalus. For details contact the hotel.

At the Sheraton
Al Hambra features a special buffet dinner on Thursday night and a special lunch buffet on Friday, New Year's Day. Hunt Room offers special dinner buffet on Thursday night; music by the Paradise Trio. Riccardo features a la carte menu and Le Faribouché will feature special lunch and dinner buffets on Thursday and Friday.

At the Meridien
Special lunch and dinner menu will be offered this week at all the outlets - Versailles, La Brasserie and at Remy and Tony's Jam session enjoy toe-tapping music on Thursday. Family fun on Friday in La Brasserie features a special menu, video cartoons, water games, magic and other attractions for all the family.

At the Messiah Beach
Special New Year's Eve Dinner and New Year Lunch in Al Mubarakiah; buffet featuring seasonal food.

Children's parties will be held every Friday at Al Jawharah in cooperation with Kids' Us from 4 to 7 pm. Join the fun with the band, clown, games. Many prizes to be won, plus a gift for every child.

At the SAS
Festive items are available at the gourmet shop.

SPORTS

Kuwait Nomads Rugby Club
England vs Scotland at Fintas Park on Friday. Kickoff: 3 pm. All players must report by 2.45 pm.

Events welcomes items for its What's On column. They can be telefaxed or phoned to 4813566, Ext 285 between 1000 and 1800 hours daily, except Thursdays. Pictures will also be considered for publication. The sooner the item is submitted, the better its chance for publication.

PRAYERS

| | |
|---------------|---------|
| Fajr | 5.15 am |
| Zuhr | 11.48 |
| Asr | 2.38 pm |
| Maghreb | 4.58 |
| Isha | 6.20 |
| Friday | |
| Fajr | 5.17 am |
| Friday prayer | 11.50 |
| Asr | 2.41 am |
| Maghreb | 5.00 |
| Isha | 6.22 |

Eating in casual surroundings



average around KD1.750 for the main dishes which are sufficient for two persons. The prawn dishes are the most expensive at KD3.250.

Courteous
After ordering, we had to wait about thirty minutes for the food to arrive, so the Maharaja is not the place to go if you are looking for a quick snack. The service was courteous and unobtrusive and the waiter enquired how heavily spiced we wanted the food. When the meat at last arrived we did feel it had been worth the wait. The Goan fish curry was quite a hot dish with a sauce

rich in desiccated coconut, tomato, coriander and cardamom. The fish itself had a melting texture.

Although we ordered the delicious-sounding Chicken Maharaja Special ("Oven baked chicken simmered in Himalayan Spices, cream, butter and fresh tomatoes"), I rather suspect that the dish we were served was the Chicken Zaffran. Whatever its name, tender strips of chicken had been cooked in a creamy yellow sauce, which provided a soothing contrast to the more fiery fish dishes. The Prawn Tandoori was too salty and heavily spiced with cumin for my taste.

Food is overpriced

Attractively presented on a bed of lettuce, onions and lemon wedges, the six large Gul prawns were overpriced at KD3.250. The vegetable dish we ordered was Chana Pindi - a very tasty preparation of chickpeas cooked in spices and fresh coriander. The Kashmiri Pilau was misleadingly described on the menu as "cooked with dried fruits and garnished with pineapple slices." In fact it was an insipid concoction of plain rice with only a few pieces of tinned fruit salad added to it. Of the three desserts men-

tioned on the menu, two (Kullee and Shahi Tukra) were unavailable, so the mixed special ice-cream was our only option. Although we would have preferred an Indian dessert, the mixture of mango, chocolate and strawberry ice-cream with nuts and fruit made a refreshing finale to the meal.

Quiet place to enjoy unhurried meal

The bill came to KD13.053, which we felt was overpriced. A 15 per cent service charge is added to the listed menu prices. If the Maharaja wants to attract more guests (there was only one other table occupied the whole evening we were there), it should do well to make its prices more competitive. The waiter willingly parcelled up our leftovers to take home. The Maharaja also offers a take-away service.

RESTAURANT: The Maharaja
TYPE: Indian restaurant of the Phoenicia Hotel
MEAL: Two course Indian
PRICE: KD13.053 (for two)
Star rating (out of five):
FOOD: ***
SERVICE: ***
ATMOSPHERE: *
VALUE FOR MONEY: **

Opp. Cooperative Society

Friday

Kuwait
Cairo Pharmacy
Tukhaim Bldg., Fahad Al Salem St.
Al Omar Pharmacy
Awqaf Complex, Mubarak Al Kabir St.

Hawalli and Nugra
Al Kindi Pharmacy
Nr. Asian Olympic Council Bldg., Jabriya

Salmiya and Rumaihiya
Al Qortuba Pharmacy
Salem Al Mubarak St.
Fahad and Abnadi
Al Ahmadi Pharmacy
Souk Ahmadi

New Khaitan
Al Aham Pharmacy
Block 2, Sulaiman Saleh Rahaimani

Jahra
Al Khalid Pharmacy

Al The World Today
0600 News Desk
30 Meridian
0700 World News
09 Summary
09 Twenty-Four Hours: News Summary

15 Multitrack 2
45 Sports Roundup
1300 World News
09 Twenty-Four Hours: News Summary
30 Network UK
45 Stuart Colman's Record Hop
1400 Outlook, opening with 5-Minute News
45 Write On...
1500 Radio Newsworld
15 The Pressure's Yours
1600 World News
09 Commentary
15 Assignment
45 The World Today
1700 World News
09 A Letter from England
15 Citizens
45 Sports Roundup
1800 Newsworld
30 Discovery
1900 Outlook, opening with News Summary
39 Stock Market Report
45 Here's Humph!
2000 World News
09 Twenty-Four Hours: News Summary
30 Meridian
2100 News Summary
45 Talking From...
15 A Jolly Good Show
2200 World News
09 The World Today
25 A Letter from England
30 Financial News
40 Reflections
45 Sports Roundup
2300 World News
09 Commentary
15 Seven Seas
45 Time for Verse
40 The Farming World
JAN 1, 8, 15, 22, 29

0000 World News
09 News about Britain
15 Radio Newsworld
30 Flying the Flag (ex 28th Two Cheers For January)
0100 News Summary followed by Outlook
30 Waveguide
40 Book Choice
45 The Story of English
0200 World News
09 Commentary
15 Network UK
30 Assignment
0300 World News
09 News about Britain
15 The World Today
30 7th Fundamentalist America
14th Housing the World; 21st Byron; 28th Rescuing the Rhine
0400 Newsworld
30 Classical Record Review
45 Reflections
40 Financial News
0500 World News
09 Twenty-Four Hours: News Summary
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Irises by Van Gogh: sold for \$53.9 million

Biggest, best, most of 1987



Bill Cosby: earned \$84 million

NEW YORK. (AP) Here were some of the superlatives of 1987:

Most expensive painting
"Irises" by Vincent Van Gogh — sold at auction for \$53.9 million in New York.

Most expensive car
1931 Bugatti Royale — auctioned for \$9.86 million in London.

Richest person
Sultan Hassanul Bolkiah, 41, Bandar Seri Begawan, Brunei, \$25 billion, according to Forbes magazine.

Top-grossing US film
"Beverly Hills Cop II" — grossed \$153 million as of Dec 1.

Best-paid entertainer
Bill Cosby of the United States, \$84 million estimated for 1986-87, according to Forbes magazine.



Bugatti Royale: auctioned for \$9.86 million

1987's achievers

LONDON. (AP) The achievers of 1987 include these who earned a place in the Guinness book of records:

● March 20 — Towser, a tortoise-shell cat living at the Glentworth distillery near Crief, Scotland, died one month short of her 24th birthday, holding the world mousing record of 28,899 victims.

● May 17 — A 660-pound (229 kg) Spanish omelette was cooked by Antonio Rivera Casal at Caracacia, Spain. He used 5,000 eggs, 1,100 pounds (499 kg) of potatoes and 33 gallons (150 litres) of oil.

● May 27 — Aleva Fualti Atsano of Hawaii, Alias Koni-shiki, weighed in at 527 pounds (239 kg) to become the world's heaviest sumo wrestler.

● June 25 — A cucumber grown by Eileen Chappell of Bowen Hills, Australia, weighed in at a record 52 pounds, 14-3/4 ounces (24 kg).

● July 4 — Rick Krause spat 66 feet, 6 inches (20.27 metres) at championship at Eau Claire, Michigan.

● July 12 — A hula-hooper identified only as Miss Desai of the Kharolvi troupe of Bulgaria gyrated 75 hoops simultaneously at Great Yarmouth, England.

● July 15 — Bruce Bloch balanced 134 cigar boxes on his chin for 15 seconds at the Hilton Hotel in Akron, Ohio.

● July 30 — John Espinoza in San Antonio, Texas, ate 29 Jalapeno peppers in two minutes flat (no coolants allowed).

● July 31 — Robert Woolley of San Antonio, Texas, made a gum wrapper chain 1,731 feet, three inches (1,137.2 metres) long, using 93,000 wrappers.

● Aug 3 — A conga of 10,442 dancers was recorded at the Edmonton Heritage Festival in Alberta.

● Aug 4 — David Green, a Welsh lawyer, published his 116th letter in the Times of London.

Scientific advances

HERE were some of 1987's key scientific advances:

Superconductivity
Advances that could ultimately revolutionise electric power use emerged from a worldwide race to develop high-temperature superconductors that carry electricity without loss.

Supernova
Astronomers learned much about the composition of stars from the discovery of a huge exploding star closer to earth than any supernova observed since the time of Johannes Kepler, almost four centuries ago.

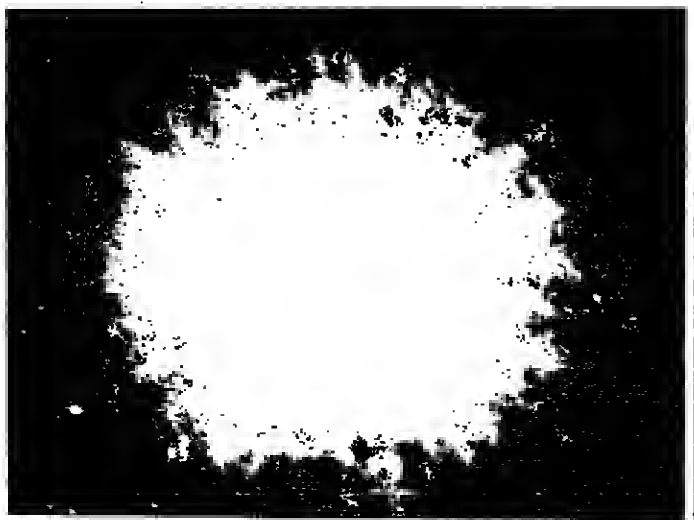
Clot dissolver
The US food and drug administration approved a genetically engineered clot-dissolving drug that may save the lives of thousands of heart attack victims each year.

Cholesterol
Drugs were found effective at lowering cholesterol levels.

Parkinson's disease
Mexican doctors transplanted adrenal gland cells into the brain of Parkinson's disease victims, producing some signs of improvement.

Genetics
Researchers made progress in understanding the genetic defects related to manic-depressive illness, Alzheimer's disease and Down's syndrome.

Fossil
A fossil discovery in Tanzania's Olduvai gorge showed that a human ancestor still had long, ape-like arms as recently as 1.8 million years ago.



Supernova was noticed by astronomers on Feb 23, 1987.



Accord: Soviet leader Mikhail Gorbachev and President Ronald Reagan share a joke at the start of their three-day summit in Washington this month.

By Philippe Naughton

LONDON. (Reuters) 1987 ended on a note of tragedy with the world's worst ever peacetime shipping disaster. Over 2000 people perished when a tanker collided with a ferry in the Philippines.

However on the political scene, the year ended on a hopeful note as a meeting between the two most powerful men in the world and the signing of the first pact to eliminate an entire class of nuclear arms sparked hope that 1987 could come to mark a turning point in superpower relations.

The December summit between President Ronald Reagan and Soviet leader Mikhail Gorbachev gave an upbeat climax to a year which saw famine again threaten the lives of millions of Africans and in which a stock market crash wiped out an estimated 2,000 billion dollars of paper wealth worldwide.

Reagan and Gorbachev said that in their three-day meeting they strengthened a relationship that would promote dialogue rather than confrontation between their traditionally hostile political systems.

For Reagan, the summit came as a diplomatic triumph after a nightmare of a year that included the Iran-Contra scandal, loss of a Republican majority in the senate from last January, the Wall Street crash, prostate surgery and his wife's breast cancer surgery.

The summit brought no spectacular breakthroughs but produced what it was scheduled to do — the signing of a superpower agreement to abolish medium-range nuclear missiles, and analysts said this was by itself an historic success.

Superpower summit brings hope in a

On strategic arms, there was modest but steady progress towards the goal that Nato and the Warsaw Pact have already approved — a halving of superpower arsenals.

The two sides announced agreement on one key figure for missile warhead ceilings, and appeared to temporarily shelve their differences on the controversial US "Star Wars" programme for anti-missile defences.

It remained unclear whether they could complete a strategic arms pact in time for a fourth summit in Moscow in the first half of next year.

Throughout the year Reagan faced problems of the sort that could confront any second-term president, but these were aggravated both by the continuing saga of the "Irangate" scandal and by a Democrat-controlled congress.

Congress sharply criticised Reagan for his decision to offer escort to Kuwaiti tankers in the Gulf and rejected two of his nominees for a place on the bench of the supreme court.

Fired White House aide Lieutenant-Colonel Oliver North became a media star when he testified to a congressional committee conducting televised hearings into the scandal over the diversion of funds to Nicaraguan Contra rebels from the sale of arms to Iran.

"I'm here to tell you the truth, the good, the bad and the ugly. I'm here to tell it all," North told a spellbound America.

His six days of televised testimony sent a wave of "Olliemania" across the

United States.

The congressional report on the Iran-Contra scandal released in November said Reagan must take responsibility for the sale of US arms to Iran and the diversion of some profits to the Contra

rebels even if he did not know what his aides had done.

"The ultimate responsibility for the events in the Iran-Contra affair must rest with the president," it said.

Reagan's economic headaches began early in the new

year, and got steadily worse. In January, the first-ever trillion dollar US budget worried financial markets — already concerned that the United States had become the world's biggest debtor.

Investors were also unsettled because the near halving of the dollar's value since 1985 had not cut the massive US trade deficit.

Finally, in October, they decided it was time to bail out. On "Black Monday," October 19, Wall Street stocks plunged 22.6 per cent. Other markets followed and by the end of the year the dollar had hit record lows against the mark, yen and Swiss francs.

Crash
The crash of 87 was a shock to the system that deeply worried economists and politicians.

Other, global financial problems persisted. Nobody could decide what to do about the 1,000 billion dollar debt crisis.

Brazil, the third world's biggest debtor, decided it was fed up with the old prescriptions of austerity to enable it to keep up its debt payments, and suspended payments to its bankers.

Based on uncertain prospects for timely repayment, bank accountants decided many old loans to the Third World were not worth as much they had thought.

Some due-dates on debt were postponed again, and economists kept warning that unless a more permanent solution could be found, the debt crisis could still push the world into a recession.

But 1987 was not all economic doom and gloom. In the art world, prices went up and up. In November, Vincent Van Gogh's "Irises" painted in a mental asylum just under a century ago, fetched \$53.9 million, becoming the most expensive painting ever sold at auction. Eight months earlier, his "Sunflowers" had set a world record of \$24.75 million (about \$40 million).

For Kremlin leader Gorbachev, 1987 seemed to be ending on a high note with his visit to Washington and the signing of the INF treaty.

At home, he had won approval from the Communist party's policy-setting central committee for a major restructuring of economic management, a key element of his "perestroika" restructuring programme, starting from January 1988.

During the year he brought other reform-ministers into the party's ruling Politburo, clearly strengthening his own position at the of the Soviet power struggle. And despite a continuing debate on what the extent of "glasnost" policy of open discussion on public issues should be, the Soviet press became more outspoken on domestic problems and long-banned literary works were published.

But close to the surface at year-end there was nevertheless a sense of unease among both intellectuals, who had been strong source of support for the Kremlin leader, and ordinary Soviet citizens.

Muscovites grumbled more openly that despite the



Repression: Armed Israeli soldiers drag a Palestinian youth from his house following violent demonstrations in the Gaza Strip. The youth was later beaten unconscious.

Gulf war arena sucks in superpowers

Stalemate on battlefield, carnage at sea

By Stephen Jukes

BAHRAIN. (Reuters) Stalemate on the battlefield and carnage at sea — 1987 was the year that Iran and Iraq's bloody vendetta finally captured world headlines and sucked the superpowers into the Gulf war arena.

But despite an Armada of Western warships patrolling the Gulf, more seamen died than in any of the war's previous six years and prospects for peace in 1988 appear as slim as ever.

Western diplomats in the Gulf said even a new readiness by Moscow to back an Iranian arms embargo was unlikely to break diplomatic deadlock at the United Nations or halt fighting.

"The only hope for an end to the war seems to be the United Nations... but the chances are slim and it looks like the fighting will just roll on for another year," said one diplomat.

Another said: "There are fears that superpower politics will get in the way at the UN and peace is secondary."

Moscow made a series of well received overtures to moderate Arab states in early 1987, but is now viewed with deep suspicion after a warning of relations with Iran in past months.

And there are lingering fears among Gulf states over Washington's long-term commitment to the region. Some fear that the US only agreed to protect Kuwaiti tankers under the stars and stripes in mid-year to keep Soviet influence at bay.

Diplomats see the biggest uncertainty for 1988 in a possible change of Iranian leadership. Spiritual leader Ayatollah Ruhollah Khomeini, 85, has long been rumoured to be ill.



Iraqi troops raise the victory sign, but the war at sea intensified with attacks on neutral shipping in the Gulf. The Greek tanker Ariadne (inset) has its deck ripped after an Iranian frigate fired on it.

No radical shift in Tehran's hostility to the "Great Satan" — The United States — or Iraq is expected whatever the outcome of a likely succession struggle between politicians and clerics.

Manpower
But the impact on morale in Iran's army is less easily assessed. Under the influence of Khomeini, thousands are ready to die as martyrs in trench warfare unmatched for its ferocity since World War I.

Iran relies most heavily on its superior manpower on the ground, and 1988 may start

with a rerun of January 1987 Iranian troops advancing on Iraq's southern city Basra.

But military analysts believe Iran still lacks the air cover needed to score a decisive victory and a long-awaited offensive by massed troops has so far failed to materialise.

A push by Iran north east of Basra recently may have been testing defences. Iraq claims it repulsed two brigades with heavy losses. Iran said it was simply a raid.

At sea, Iraq is expected to keep up relentless pressure against Iran's fleet of oil tank-

ers, sending daily raiding sorties of missile jets armed with French-made Exocet missiles.

Twenty-one sailors lost their lives when missiles slammed into the Norwegian-operated tanker Susangird on the treacherous Iranian crude shuttle-run down the Gulf.

Iran's revolutionary guards have attacked neutral shipping with a new ferocity, this month sinking their first ship since the so-called tanker war flared in 1984.

Their hit-and-run tactics fly in the face of Western navies now with some 80 warships, minesweepers and support vessels in the region and diplomats say attacks are

becoming bolder.

At least 71 merchant seamen have died this year and 37 US sailors were killed when an Iraq Exocet hit the frigate Stark in May. In 1986, 52 seamen were killed, while the number of Iraqi and Iranian attacks has risen to at least 135 from 80.

On the diplomatic front, UN secretary-general Javier Perez de Cuellar is still trying to rally support for an arms embargo against Iran. Since Tehran's leadership to accept the Security Council's July 20 ceasefire call.

But diplomats said the Soviet Union, which has long blocked the move, was probably asking too high a price to secure a deal

with the United States and Britain — namely the formation of a joint UN naval force to police an embargo.

Washington has made clear it would view with suspicion any move that might reduce its huge presence in the Gulf and allow Moscow to increase its foothold.

A compromise would be a limited UN force to check vessels entering the Gulf for Iranian-bound weapons, but military analysts doubt an embargo would be effective or alter Tehran's refusal to accept a ceasefire before Iraq is branded aggressor in the war.

"I think we will see more of the same in 1988," said a Western diplomat. "Iran will play for time and every so often the war will spill over."

Kuwait, which triggered closer superpower involvement when it sounded out Moscow on chartering tankers to protect oil exports from Iranian attack, has been at the receiving end.

The bomb blasts have rocked Kuwait this year, the most serious on May 22 when fire at the Al-Ahmedi industrial complex threatened to engulf key oil installations. Local newspapers blamed pro-Iranian Kuwaiti extremists.

Kuwait has also become a firing range for Iran's Chinese-designed Silkworm missiles, one of which slammed into a US flag Kuwaiti tanker the Sea Isle City off its shores in October.

Saudi Arabia has also felt Iran's wrath, with attacks against its oil tankers and riots in the holy city of Mecca in late July. The Saudi and Kuwaiti embassies were later stormed in Tehran.

مكتبة الامم المتحدة



Danger: A Sri Lankan sailor hits Indian Prime Minister Rajiv Gandhi in Colombo. The India-Sri Lanka accord has been opposed by the Tamil 'Tiger' rebels against whom the Indian forces are conducting an offensive.



Disaster: Survivors of the collision between a ferry and a tanker in the Philippines. Over 2,000 people perished in shark-infested waters.

violence and war takes its toll on human lives and suffering

year of tragedy and economic gloom

promises of reform there had been no noticeable improvement in food supplies.

Gorbachev's standing among the liberal intelligentsia and some workers had been weakened by the dismissal in November of Moscow party chief Boris Yeltsin, a radical reformer long regarded as one of his chief lieutenants.

Many educated Russians were shocked by the humiliation of the official at a meeting addressed by the Kremlin chief during which Yeltsin confessed his errors after erstwhile aides had accused him of political and other offenses.

And among more traditionally-minded Soviet citizens, there was clear displeasure over what they saw as the extensive concessions made by Gorbachev to the United States in his bid to achieve the INF treaty.

On his return from the summit, he appeared defensive in explaining the accord in a television address. And his armed forces chief-of-staff was subsequently brought in to assure the country that the military backed the treaty.

There was political turmoil in many Asian countries in 1987 — nowhere more so than South Korea where street protests forced President Chun Doo Hwan's military-dominated government to agree in late June to reforms and the first free presidential election in 16 years.

The opposition appeared to be in a strong position to win the election on December 16 but the two leading opposition candidates insisted on running and the split anti-government vote gave government candidate Roh Tae-Woo an easy victory.

In China, January 1987 saw Communist party leader Hu Yaobang being forced to quit after nationwide pro-democracy student protests. However, the hardline veterans behind his dismissal were persuaded by senior leader Deng Xiaoping to relinquish power at the party's national congress

in October. Meanwhile national day celebrations in October 1 were marred by riots in Lhasa over Chinese rule of Tibet.

Security forces opened fire on a crowd attacking a police station. The official death toll was put at six but some Tibetans said as many as 19 people died.

Sri Lanka tried to solve its four-year-old separatist Tamil insurgency, which has cost more than 8,000 lives, agreeing to allow thousands of Indian troops on its territory.

The agreement, signed in Colombo in July by Sri Lankan president Junius Jayewardene and Indian Prime Minister Rajiv Gandhi, has been opposed by hardline Sinhalese, as well as the powerful Tamil Tiger rebels, against whom the Indian forces are conducting an offensive.

In Bangladesh, an opposition campaign to force the resignation of president Hosain Mohammad Ershad led him to order a state of emergency, the first since 1974, and dissolve the 17-month-old parliament.

In the Philippines, president Corason Aquino reintroduced democracy with a general election and a new constitution.

She fought off a serious coup attempt by military rebels who had mutinied twice before and faced a worsening communist insurgency but she successfully hosted a regional south-east Asian summit meeting many had said would never take place.

In the Middle East, the Gulf war dragged on into an eighth year with Iran and Iraq apparently deadlocked, both on the battlefields and over political moves to end the conflict.

Diplomats in both capitals estimate Iran has around a quarter of a million men positioned close to the southern war-front, threatening an imminent attack to capture or cut off Iraq's second city Basra. Iraqi military spokesman says

Basra's defensive shield, with greatly superior air power, is more than enough to repulse any attack. A big Iranian thrust towards Basra was thrown back last winter.

At the United Nations, Iraq has accepted a Security Council demand for a ceasefire but Iran will not consider doing so unless Iraq is first named as the aggressor state.

In the Gulf itself, Iraqi and Iranian raids on shipping reached a peak this year — marked by the entry of US naval forces to the Gulf — with a confirmed total of at least 130 ships hit by missiles and mines. At least 70 merchant seamen have died in the attacks.

In late July, more than 400 people most of them Iranian pilgrims, were killed in fights during an Iranian demonstration near Islam's holiest shrine in Mecca, Tehran and Riyadh each blamed the other for the riots.

Palestinian deaths during nearly two weeks of anti-Israeli protest in the Israeli-occupied West Bank and Gaza in December have been condemned both by the Jewish state's traditional foes and its friends. The protests spread to Arab towns inside Israel.

In Central America, pes-

simism has given way to the euphoria generated by a regional peace plan signed in Guatemala on August 7. The plan won the 1987 Nobel peace prize for its principal author, Costa Rican president Oscar Arias.

But the plan failed to bring about ceasefires in the three civil wars which have killed an estimated 200,000 people in El Salvador, Nicaragua and Guatemala. Ceasefire talks between left-wing guerrillas and the governments of El Salvador and Guatemala foundered over the antagonists' unwillingness to budge from long-standing positions.

There were on-again, off-again ceasefire talks between Nicaragua's left-wing government and right-wing rebels armed, trained and financed by the United States. Regional analysts saw little hope for an early end of the Nicaraguan war.

In the wake of the peace plan — signed by the presidents of Costa Rica, El Salvador, Nicaragua, Guatemala and Honduras — the antagonists in all three of the region's conflicts reported a marked upsurge in fighting.

The five presidents are due to meet again on January 4 to

assess progress in implementing their plan and "make the pertinent decisions." There is widespread doubt that the meeting will result in a breakthrough.

In Europe, there were echoes of older enmities. On August 17, Rudolf Hess, the last surviving member of Hitler's inner circle, committed suicide in August after 40 years in West Berlin's Spandau Prison. Spandau itself was demolished immediately afterwards to stop it becoming a neo-Nazi shrine.

In France, former SS commander Klaus Barbie, the "Butcher of Lyons," was sentenced to life imprisonment in July after being found guilty on 340 separate counts including the torture of resistance fighters. The trial of the former Gestapo chief rekindled long-suppressed memories of Nazi occupation.

Worst Some of the worst news of the year came from Africa according to the United Nations as many as six million Ethiopians now face famine because of drought and their country needs more than a million tonnes of food aid. In Mozambique, the government says, 4.5 million of the 12 million inhabitants are short of food.

Relief agencies have identified 17 other African countries in need of food because of crop failure resulting from drought, locusts and war.

Starting with Mauritania in the west the drought belt, shaped like a question mark, stretches east across the continent to Somalia then bends south to Swaziland.

It sweeps through Mali, Burkina Faso, Nigeria, Chad, Sudan, Ethiopia, Uganda, Zaïre, Tanzania, Zambia, Malawi, Angola, Zimbabwe, Mozambique, and Botswana.

There were several bad air crashes in 1987. Crashes in Detroit and Warsaw each killed over 150 people. The last weekend of November was the most gruesome. A South African Boeing 707 crashed

into the Indian ocean near the island of Mauritius killing 160. Next day, a Korean airlines 707 with 115 people on board disappeared over Burma. South Korea said a mid-air explosion destroyed the plane.

On December 7 a Pacific Southwest airlines plane crashed in California, killing all 43 people on board. Investigators who found a gun in the wreckage suspected a murder-suicide plot by one of the passengers.

In February, mudslides caused by an earthquake killed 1,000 near Quito in Ecuador. A month later, 188 people died when a British ferry, the Herald of Free Enterprise, capsized off the Belgian port of Zeebrugge.

In late December, a Manila-bound ferry with at least 1,500 passengers aboard sank off the central Philippines after a collision with another ship.

Some of the world's great musicians died during the year. In June, Andres Segovia, generally regarded as the world's greatest classical guitarist, passed away in Madrid, aged 94. He took the classical guitar from the gypsy haunts of his native Andalusia and almost alone elevated it to its honoured place on the concert stage.

British Cellist Jacqueline Du Pre died in October, 14 years after the crippling disease multiple sclerosis forced her to abandon her concert career at the peak of international success.

In December Jascha Heifetz, the Russian-born virtuoso violinist, died in Los Angeles at the age of 86.

Hollywood also lost some of its legends: — Fred Astaire, the epitome of elegance who danced his way through 31 musical hits, in June, aged 88.

— Comedian Danny Kaye, superb mimic and star of stage, screen, television and cabarets for more than 40 years, in March aged 74.

— Liberace, who puts sparkle into the classics and charmed audiences throughout the world with his dazzling smile, rippling keyboard style and outlandish wardrobe, in Los Angeles in February aged 67.

1987

Celebrity deaths

Walter Abel, actor, 88, March 26.
Jean Anouilh, French dramatist, 77, Oct 3.
Fred Astaire, dancer-actor, 88, June 22.
Mary Astor, actress, 81, Sept 24.
Malcolm Baldrige, US Secretary of Commerce, 64, July 25.



Andy Warhol, 58

James Baldwin, author, 63, Dec 1.
Ross Barnett, Mississippi Governor, 89, Nov 6.

Michael Bennett, Choreographer-director, 44, July 2.
Jim Bishop, columnist-author, 79, July 26.

Arthur Burns, economist, 83, June 26.
Erskine Caldwell, author, 83, April 11.

Madeleine Carroll, actress, 81, Oct 2.
William Casey, CIA director, 74, May 6.

Camille Chamoun, Lebanese President, 87, Aug 7



Claire Booth-Luce, 84

James Coco, actor, 56, Feb 25.
Gen. J. Lawton Collins, wartime commander, 91, Sept 11.

Dalida, singer, 54, May 3.
Ronnie Desillers, transplant recipient, 7 April 29.

Henry Ford II, automaker, 70 Sept 29

Bob Fosse, director-choreographer, 60, Sept 23.



Rita Hayworth, 68

Jackie Gleason, entertainer, 71, June 24.
Charles E. Goodell, New York Senator, 60, Jan. 21.

Lorne Greene, actor, 72, Sept 11.
Rita Hayworth, actress, 68, May 14.

Jascha Heifetz, concert violinist, Dec 10.
Walter Heller, economist, 71, June 15.

Rudolf Hess, Hitler deputy, 93, Aug 17.
John Huston, film director, 81, Aug 28.

Dmitri Kabelevsky, Russian composer, 83, reported Feb 17.
Rashid Karami, prime minister of Lebanon, 65, June 1.



James Baldwin, 63



Henry Ford II, 70

Danny Kaye, entertainer, 74, March 3.
Nobusuke Kishi, Japanese politician, 90, Aug 7.

Mervyn Leroy, 86, film director, Sept 13.
Joseph E. Levine, Movie Mogul, 81, July 31.

Rene Levesque, Canadian politician, 65, Nov 1.
Liberace, entertainer, 67, Feb 4.

Clare Boothe Luce, Playwright-politician, 84, Oct 9.
Charles Ludlam, actor-dramatist, 44, May 28.

Lee Marvin, actor, 63, Aug 29.
Alistair McLean, author, 64, Feb 2.

Gunnar Myrdal, Swedish economist, 88, May 17.
Geraldine Page, actress, 62, June 13.

Robert Preston, actor, 68, March 21.
M.G. Ramachandran, actor politician, 70, Dec 25.

Buddy Rich, Jazz musician, 69, April 2.
Randolph Scott, actor, 89, March 2.



Rudolf Hess, 93

Andres Segovia, guitarist composer, 94, June 2.
Dock Shawn, actor, 63, April 17.

Ben Stahl, artist-illustrator, 77, Oct 19.
David Suskind, entertainment producer, 66, Feb 22.

Gen. Maxwell Taylor, soldier-diplomat, April 19.
Maria Von Trapp, singer, 82, March 28.



Rashid Karami, 65

Jackie Vernon, comedian, 62, Nov 10.
Andy Warhol, artist, 58, Feb 22.

Harold Washington, Chicago mayor, 65, Nov 25.
Earl Wilson, columnist, 79, Jan 16.



William Casey, 74

JUNIOR TIMES

Dear Junior Readers,

It is a New Year and many of you have already thought of the New Year's resolutions you will adopt for 1988. Resolutions are usually the result of us wanting to change something about our lives, to do something we haven't done before or to stop doing something that we think is not for us.

A New Year gives us a chance to start fresh. It is a good time to forget about the mistakes we have made in the past and to resolve to try harder and do better in the future.

Best wishes, Junior Readers, for a very happy and successful New Year.

Aunt Barbara

Happy birthday



Deo Marco Galumbo celebrates his second birthday on January 1. Best wishes, Deo, from Auntie Linda, your family and friends.

Firsts and lasts

William the Conqueror first ordered the Tower of London to be built in 1078. Since then it has been a royal palace, a prison, a mint for making money, an observatory and, lastly, the home of the Crown Jewels.

Charles the First was beheaded on January 30th. As the coffin was carried to his burial place, its black velvet covering was covered over with snow — white fur innocence.

ONCE upon a time there lived a merchant who travelled a great deal in foreign parts. Once, as he was saying goodbye to his three daughters, he said, 'My dear daughters, what would you like me to bring home for you?'

'Dearest Father,' said the eldest, 'Please bring me a beautiful pearl necklace.'

'I should like a sparkling diamond ring,' said the middle one.

But the youngest one whispered shyly, 'Father, please bring me a green hazel twig, as a sign that you have not forgotten me.'

So the merchant set off on his travels. His affairs prospered, and he did not forget his daughters. He packed the pearl necklace and the diamond ring in his bag, but no matter how hard he searched, he was unable to find a green hazel twig.

He was still distressed about this when, on his way home, he came to a dark forest. As the track led through the thick undergrowth, he felt something brush against his face. There was a sound like hailstones falling to the ground, and when he looked up he saw a beautiful green hazel twig, with golden nuts hanging

Beauty and the beast

on it. He was overjoyed, and stretched up his hand to break it off.

At that very moment a huge bear shot out of the undergrowth, uncovering its fangs in a dreadful snarl. It towered up on its hind legs as if about to rend the merchant limb from limb, and roared, 'Why have you broken my hazel twig?'

'Dear bear,' said the merchant, quivering with fear, 'let me take the hazel twig and go home in peace, and I will send you an enormous ham, and as many sausages as you can eat.'

'Keep your ham, and your sausages,' bellowed the bear. 'You may go only if you promise to give me the first living creature that comes to meet you when you return home.'

The merchant promised. He felt sure that his dog would be the first creature to come running to him, and he did not mind sacrificing the dog in order to save his own life.

So the bear padded off into the forest and the merchant continued his homeward journey, with the golden hazel twig glittering in his hat. To his horror, as

he approached his house, he saw his youngest daughter running to meet him, while the dog stood on the doorstep behind her. In great distress he told his family what had happened when he broke the hazel twig, and they were filled with dread.

A few days later a black

carriage drew up in front of the house, and out of it stepped the ugly great bear. With a growl and a snarl he padded into the house, and there he insisted that the father should keep his promise. There was no help for it, and the poor girl had to go. Sad at heart she said good-bye,



and off she went in the carriage with her horrible bridegroom.

Once outside, the bear laid his shaggy head in the girl's lap, and growled, 'Stroke my head, scratch my ears and tickle my chin or I will eat you.'

The girl stroked and scratched him so gently that the bear was delighted. The carriage flew along more swiftly than the wind, and it seemed as though the black horses had grown wings. Soon they came to the dark forest and the carriage came to a halt at the entrance to a cave. This was the bear's dwelling. How terrified the girl was when she saw the black cave gaping among the rocks! Nor was her terror any the less when the bear clasped her round the waist with his huge arm, and whispered gently, 'Here you are to live and be content; but you must do what I tell you, or my wild beasts will eat you.'

They stepped forward into the cave. The bear pushed open a massive iron gate, and they entered a room which was full of poisonous snakes, whose tongues darted out towards them. The bear growled into his bride's ear, 'Take great care to

look neither to right nor to left — then you will be safe.'

The girl trembled with fear, but she remained steadfast, and looked neither to right nor to left, and passed safely through the eleventh room.

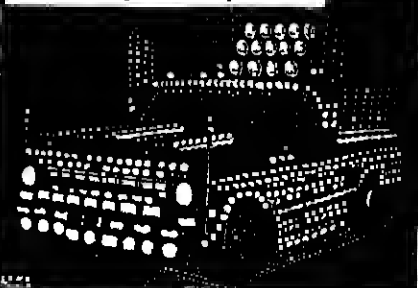
So they reached the twelfth room, and there a brilliant light gleamed through the open door, and the girl could hear music, and sounds of joy and great jubilation. There came a clap of thunder, and then deep silence.

In that clap of thunder forest, cave, monsters, bear — all vanished. Before her rose a splendid castle, crowned with turrets of gold, with a host of servants standing to welcome her at the gate; and at her side, instead of the huge, growling bear, stood a young man, a prince, tall and handsome. He joyfully kissed his bride, thanking her for releasing him, through her courage, from the spell which had bound him. The hazel twig had been the key to her good fortune.

Her father and her sisters were invited to the castle for the wedding. The prince and his bride were married, and they all lived happily ever after.

Factfile FROM THE GUINNESS BOOK OF RECORDS

'MIDNIGHT BANDIT' IS THE CREATION OF TODD PELLEGRINI OF HUMMELSTOWN, PENNSYLVANIA. HE SPENT OVER 5 YEARS ENGINEERING HIS ITTY BITY EXPLORER CAMPER TRUCK WITH 1000 PRACTICAL LIGHTS WHICH ARE CONNECTED BY OVER 5000 FT. (1524M.) OF WIRE AND 45 TOGGLE SWITCHES TO THREE 150 AMPERE ALTERNATORS AND FIVE 12-VOLT BATTERIES.



THE WORLD SPEED RECORD FOR A CARAVAN IS 124.91 MPH (200.02 KM/H) TOWED BY A LEXUS ASTON MARTIN V8 SALOON DRIVEN BY ROBIN HAMILTON AT RAF ELVINGTON, NORTH YORKSHIRE ON 14 OCT 1980.



High jumpers far travelers

Fleas. Anyone who owns a pet is likely to know all too well a little insect called the flea. These impolite insects live in the hair of many animals. They can go from one animal to another quite easily. But did you know that fleas do not have wings? They cannot fly — but they are wonderful jumpers. They can jump one hundred times their own height.

TERNS. The Arctic tern leads a strange life. It spends three months of each year near the North Pole, three months near the South Pole — and almost six months in the air! This small bird makes one of the longest trips of any animal.

The tern summers in the North. In the fall it heads south. Traveling at 50 to 55 kilometers an hour, stopping to rest and eat on the ocean and on land, the tern flies south for three months. After a trip that may cover 18 thousand kilometers, the tern reaches the South Pole.

But when spring comes, the tern is off again. It makes another 18 thousand-kilometer trip, returning to its home in the North. This little bird, then, flies a round trip covering as much as 36 thousand kilometers. And it repeats the trip each year!

The curse of the lost idol

ANNIE followed the Professor's voice back to the boat. She half expected to find one of the passengers missing but they were all there and not one of them looked guilty. So the thief had not made a getaway. Why not?

Ahmed Ahlunda, the local Police Chief, arrived and put every one under boat arrest. Annie found it all quite exciting — she had never been a suspect before.

Annie couldn't wait to be interrogated. She was

itching to tell the police chief what she had heard. But when her turn came, he did not seem at all interested.

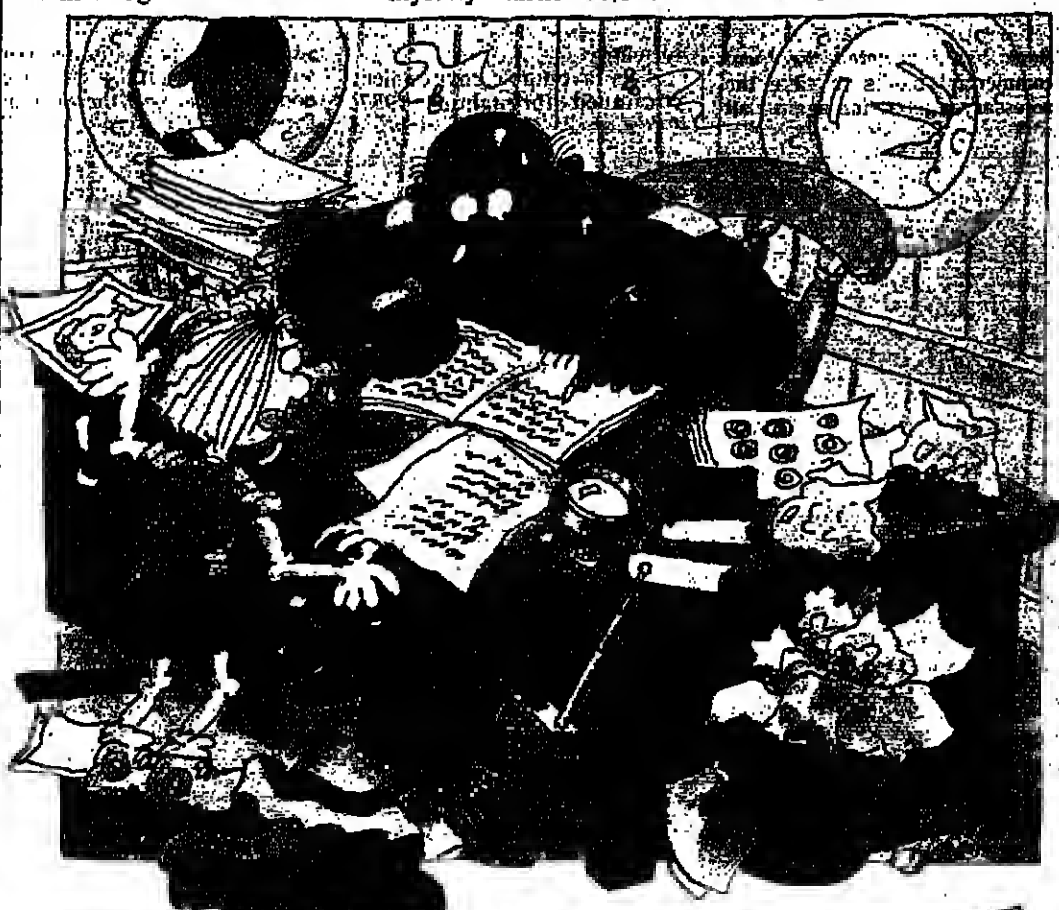
Instead, he asked her silly, meaningless questions. What is the number of the Swiss bank account? Where is the golden mask, the doubloons and the pieces of eight?

Annie decided he was a useless detective and probably half mad. She was closer to solving the mystery than he was, so she

would do some snooping on her own. But did he have any information that would help her?

Then she spotted a piece of yellow paper destined for the rubbish bin. It was covered in the Police Chief's strange scrawl. Was it Arabic? No!

She waited for a moment when he wasn't looking, picked something out of her bag and used it to decipher the scrawl. She was not sure if it was useful or not. Still, it might come in handy later.



Sign here, please

The illusion:

Giving someone a pen, you have him initial the end of one of your business cards. Removing the card from its rubberbanded packet, you then have him write his first name on the back. When he turns the card over to the first side you have somehow added a written message just above his initials.

The preparation:

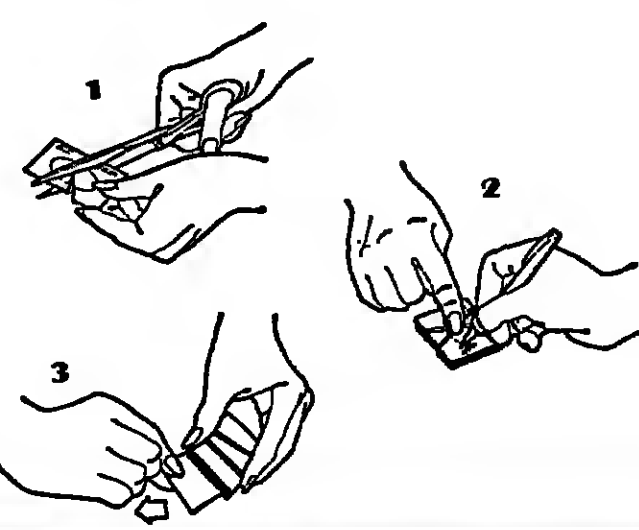
Take one of your business cards and cut a V-notch through the centre, as in the illustration; this is your 'gimmick' (1). Write a message on a second card, but keep all the words on the same end that matches your gimmick. Place this card on top of ten or twelve more of your cards and put your gimmick on top of it. Wrap a rubber band twice around the packet of cards making sure the hand hides the cut edges of the gimmick. Have a pen ready and you're all set.

The trick:

Drop the packet of cards in front of your friend and hand him the pen. Ask him to put his initials on the card, and put your finger on top of the gimmick (2). Apparently this is just to hold the cards steady for him but it also makes sure he puts his initials on the end of the card below the gimmick. After he has signed it, pick up the packet with one hand and slip your index finger of the other hand under the end of the card with the initials. Lift the end of the card so that you can remove it from the packet. However, slowly turn the packet over before you actually

slide out the card (3). You are now holding the second card, the one with the message, but it looks as though you removed the top card of the packet. Place this card in front of the person and have him write his first name across it, as you quietly drop the packet of cards into a drawer. Take back your pen and then have him turn the card over. Surprise!

If she wants to examine the packet of cards you can very easily thumb off the gimmick as you remove them from the drawer.



Peace

1. What are the origins of the dove and olive branch as peace symbols?
2. When used a calumet?
3. Why, according to the Sermon on the Mount are the peacemakers blessed?
4. Of whom was it said, 'They make a wilderness and call it peace'?
5. Which war was terminated by the peace treaty signed in 1905 at Portsmouth, New Hampshire?
6. What was Henry Ford's contribution to peace during World War I?
7. Many peace treaties were signed in Paris. Those signed there in 1763, 1856, and 1898 ended which wars?
8. What is ironic about the Nobel Peace Prize, awarded annually to further the cause of international peace?

Answers: 1. They came from the Book of Genesis in the Bible. There it is said that Noah sent forth a dove from the ark to see if the waters had abated, and the dove returned with an olive leaf in its mouth, indicating that the flood was over and thus that the anger of God was appeased. 2. The North American Indians. It is a long-stemmed, ornamental pipe used for ceremonial purposes and was also known as a 'peace pipe'. 3. 'For they shall be called the children of God.' 4. The Romans. According to Tacitus, it was said by Calgacus to the Caledonians he led before the battle of Mons Graupius in Scotland in AD 83. 5. The Russo-Japanese War. 6. In 1915 he headed a peace expedition to Europe, which proved to be a dismal failure. 7. The Seven Years War, the War of American Independence, the Crimean War, and the Spanish-American War, respectively. 8. Alfred Nobel, a Swedish chemist and manufacturer, invented dynamite, although he later had strong misgivings about the potential use of his invention in warfare.

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DEVOTION
DRUGS
FEED
FEEL
GENTLE
HELP
HOSPITAL
HURT
KINDNESS
MANNER
PILLS
PRETTY
RULES
SERVICE
SICK
STUDY
TRAINING
TRUST
UNIFORM
WASH

Can you find the words below in the diagram? They are formed in the diagram forwards, backwards, up, down, or diagonally, but they are always in a straight line and are never formed by skipping over any letters.

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U | H | W | C | U | D | R | U | G | S | D | F | D |
| I | L | G | V | A | W | S | E | R | V | I | C | E |
| T | A | A | T | A | L | L | Y | V | M | A | D | E |
| F | T | C | S | S | K | H | W | N | P | I | F | B |
| E | I | H | B | L | E | E | F | U | T | R | U | H |
| E | P | D | E | R | J | C | X | C | L | K | A | T |
| D | S | S | E | N | D | N | I | K | A | T | J | R |
| U | O | P | F | U | I | A | Z | H | O | R | D | A |
| N | H | R | P | I | L | L | S | E | T | U | E | I |
| I | K | E | E | T | L | U | A | L | P | S | V | N |
| F | S | T | J | N | H | B | Y | P | S | T | O | I |
| O | L | T | E | S | N | M | S | I | C | K | T | N |
| R | R | Y | T | E | G | A | Z | B | X | R | I | G |
| H | M | U | D | L | A | F | M | A | T | V | O | O |
| Q | D | C | O | U | R | S | E | S | B | S | N | T |
| Y | T | N | O | R | C | B | E | F | D | S | D | S |
| V | D | F | S | D | F | B | E | L | T | N | E | G |

DR BOTTLE - HIS NAME WAS COMBINATION
D B GIVE - HIS FLOOR OF HIS CHAMBER
BROT B BOTT - I WANT TO HIS 10000 - NO ONE
2 20000 - I NEVER NOTHING
D AS NISD - I NEVER A CHANGING NOISE
I TAMPING - HIS NIGHT MENT ONE FOR
H FISH - 4 WAS GIVE FOR 20 2000002

MAKES 2252, 210105042

Answer: The Police Chief's notes are written back to front and the piece of paper is upside down. Annie takes her pocket mirror from her bag to read the notes. She turns the paper the other way up and holds it in front of the mirror. Do the same thing and you can find out what is written on the yellow paper.

BUSINESS & FINANCE

Loans settlement scheme a success: Sheikh Salem



Sheikh Salem Abdul Aziz
THE difficult bank loans settlement scheme has achieved good results and these were reflected on the banking system and the whole local economy, the Governor of Kuwait's Central Bank, Sheikh Salem Abdul Aziz Al Sabah, said.

He told a local newspaper that 698 dealers with a debt of KD 408.5 million had no problems because they had surplus funds and had either repaid the loans or arranged to repay them.

Debtors
Up to Dec 10 the problem was limited to 1,129 dealers with a total debt of KD 1,846.4 million.

The debts of 1,066 or 94.4 per cent of the dealers had already been technically settled. Their total debts amounted to KD 1,689.1 million or 92 per cent of the loans on dealers facing a deficit.

He said that only a very few dealers therefore remained and it was clear from the figures that the scheme was about to be completed.

He said that 779 settlements had been documented at the Justice Ministry until Dec 10, adding that this number would increase greatly by the end of this year because the local banks had many settlements ready for documentation.

Action
Debtors who had not come for settlement, had no right to make settlements now, and would face legal action. He added that local banks had already begun such legal steps.

Speaking about the government bill and bonds, the governor said the Central Bank had made three issues so far with a total value of KD 628 million, and these had been covered in full. The bank had received a flood of demands for buying bills and bonds, and there had been stiff competition in purchasing them.

Sheikh Salem pointed out that the issue of these instruments had helped greatly in building a frame for interest rates on the Kuwaiti dinar now and for the future.

He said these bills and bonds had created an active secondary market for their sale and purchase.

KIO raises stake in BP

LONDON, Dec 30, (Reuters): The Kuwait Investment Office (KIO), an investment arm of the Kuwait government, has raised its stake in oil giant British Petroleum Co. Plc (BP) to 17.4 per cent from 17.07 per cent a week ago, a KIO spokesman said today.

He told Reuters that KIO bought a further 22 million BP partly paid-up shares at 70.5 pence (\$1.31) each yesterday. This was just above the 70 pence quoted on the London Stock Exchange at midday today for the recent issue.

The spokesman declined to confirm whether KIO, which has been steadily building up a stake in BP since the fopped sell-off of the government's remaining shareholding in October, would continue to buy BP shares in the market.

Unwanted

The 70.5 pence price KIO paid for its latest purchase was just half a pence above the price at which the Bank of England is offering until January 6 to buy back unwanted part-paid shares from the public.

The British Central Bank made the offer to help underpin the new issue after it was heavily undersubscribed at its launch at £120 (\$223) a share payable immediately in October.

KIO raised its stake just as BP, the world's third biggest oil company, was preparing to release its offer document for the whole of the issued share capital of independent British oil company Britoil Plc.

Policy makers try to evolve right corporate strategy

Financial system generates new mood of optimism

Dr Abdullah M. S. Ghanem is the Director of the Institute of Banking Studies. He was a member of the high-level committee appointed by the government to recommend measures to reactivate the Kuwait economy. Ghanem spoke last week with Arab Times' Business Editor M. C. Bose.

QUESTION: Your recent publication 'The Financial Index of Companies Listed in the Kuwait Stock Exchange' draws an overall improvement in the performance of the corporate sector. Do you consider this performance to continue in 1988?

Answer: The corporate sector in Kuwait experienced a major setback in both 1984 and 1985 due to the economic recession and the crash of Souk Al-Manakh. This trend was reversed in 1986 with the overall performance of the corporate units showing an improvement. In terms of profit, the sector as a whole registered a net profit of KD 35.60 million as against a net loss of KD 178.00 million in 1985. The average return on equity, an important measure of financial performance, improved to 4.12 per cent in 1986 as against a negative 19.37 per cent in 1985. Similarly there was also a marginal improvement in the market capitalisation (market value of equity shares).

This improvement in corporate performance was largely an outcome of a series of measures taken by the authorities to stimulate the economy and boost financial markets. Among them, the most important was the debt settlement programme, which inspired confidence and enthusiasm in the business community. Measures to revive the stock market was another factor.

Furthermore, there was an encouraging return to a positive monetary growth in contrast to its decline in the previous years. All these contributed to the improvement in corporate performance.

This favourable environment continued throughout 1987. Additionally, the overwhelming response to the settlement programme and the recovery of oil prices since the start of 1987 gave a further impetus to the business activity. As a result one can expect some more improvement in 1988.

Q: Your study shows that 25 major companies could make a reasonable profit in 1986 while eight others continued to suffer losses. What are the factors that influence the corporate performance both positively and negatively? What are the strengths and weaknesses of the Kuwaiti companies?

A: Among the 33 companies we have studied, 25 companies were able to make profit in 1986 and the remaining eight firms had incurred losses during the year. Note that six companies have recorded high profitability in 1986.

A company may be called a highly profitable company if its return on equity is 15 per cent or more. In 1985, as many as 18 companies made losses. Thus the scenario in 1986 was considerably better than that of 1985. But this does not suggest that everything is fine with the Kuwaiti companies.

Take the example of industrial sector. A considerable number of production units are operating much below their optimum production capacity because of the limited local market and non-availability of protection and adequate subsidy to local production. In the process, their production efficiency is low and their costs are high and therefore, they are not able to compete in the local or international markets.

We all agree that a strong non-oil sector is a pre-condition for diversifying our economy. In this context, it is imperative that some of the industries — especially the new born ones — requires protection. Another step will be to encourage consumption of locally produced commodities. Also, there is a case for encouraging export of locally manufactured goods.

Speaking of the strength and weaknesses of the companies, two aspects need to be mentioned. First, most companies may have to professionalise their management cadres. A profes-

sionally trained management can introduce innovations, and remember that, without innovation profits will be squeezed.

A second aspect is that corporate units will have to develop an adequate corporate reporting system with a detailed disclosure on the working of the companies. This can not only go a long way in improving corporate performance but it will also help the policy makers to evolve the right corporate strategy.

Q: Does the improved performance of the corporate sector suggest that the outlook for the Kuwaiti economy is now more hopeful than at any time since 1983? Do you foresee a significant growth in the economy next year?

A: An improved corporate performance is a good sign of recovery of the Kuwaiti economy. It indeed reflects the revival of the non-oil sector of the Kuwaiti economy from the deep recession it had been through since the second half of 1982. This was made possible by a series of measures taken by the government in the past two years.

They are mainly, the banks' debt settlement programme, lowering of interest rates, new housing formula, share splitting, land appropriation scheme, and a more importantly, an encouraging monetary policy pursued by the Central Bank. All these have laid the foundations for economic revitalisation.

Consequently, last year there was a relative recovery in the markets for financial and real estate assets. The volume of shares traded increased in 1986 to 430 million shares as against 178 million shares in 1985 and 19 million shares in 1984.

With the noticeable improvement in land prices in some residential areas, the average value of residential properties decreased by only 12.2 per cent in 1986 compared with 30.5 per cent drop in 1985. Also, the drop in rent was partially arrested. Increase in the number of housing starts, and the new housing formula involving low cost plot with loan, and increased provision of development expenditure in the current year's budget should have led to some pick-up in construction activity. At the same time, the wholesale and retail trade are yet to register a significant improvement. On the whole, we can say that the worst is over.

The government's programme



Dr Abdullah M. S. Ghanem

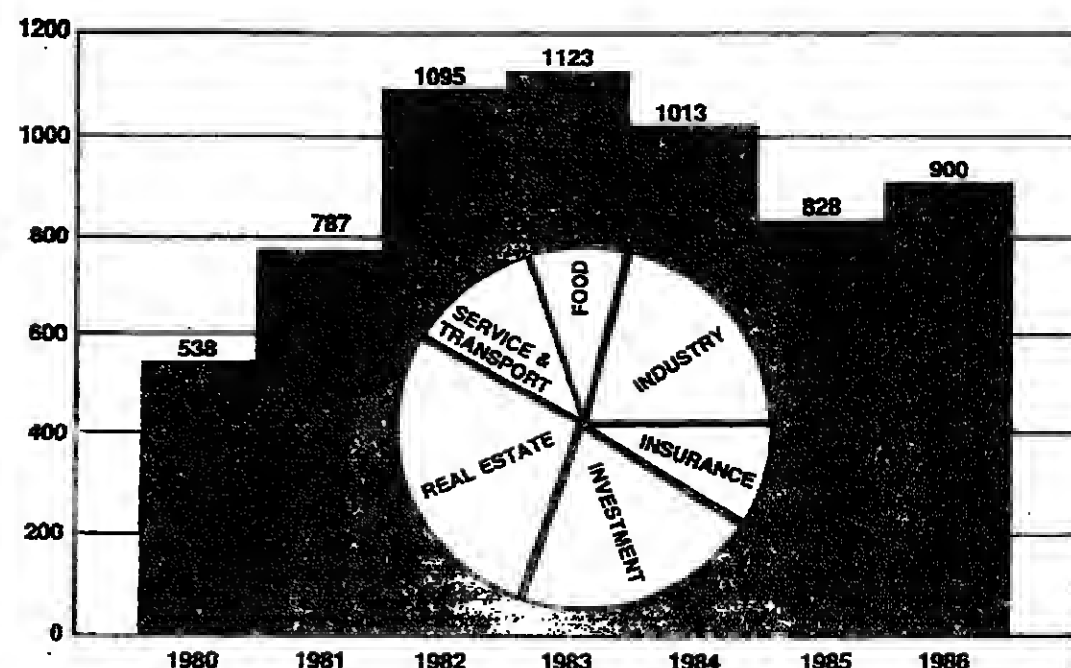
to settle the non-performing loans which hanged over the financial system has generated a new mood of optimism in the private sector. This should bring about adequate momentum in the domestic economy.

Externally, the current account of the balance of payments remained healthy in 1986. Given the sharp rise in oil prices in 1987 and the policy to rationalise the public expenditure, external balance in 1987 was much better than in 1986. The recent Opec agreement to adhere to the production quotas suggests a further firming of oil prices. Thus, the Kuwaiti economy enters the New Year with hopeful signs.

Q: Do you think the uptrend in share prices tend to reflect the growing confidence in the economic environment, in particular, the government's policies?

A: During 1987, share prices registered a satisfactory increase. During the first half of the year, the all-share price index for Kuwaiti stocks registered a 5.8 per cent gain as compared to a 4.1 per cent drop in the price of Gulf shares. On average, in 1987 Kuwaiti stocks stood at 42 per cent of the price level prevailing as of end 1983. In the parallel market also, a similar trend was discernable.

SHAREHOLDERS' EQUITY OF KSE COMPANIES (MILLION KD)



This improvement in share market activity is a reflection of the renewed confidence gained by the investors. Splitting of shares could have attracted a large number of small investors. Allowing Kuwaiti shareholding companies to buy up to 10 per cent of their stocks priced at market value generated some activity.

To be sure, the settlement of difficult debts of banks provided a favourable sentiment. Other measures like the regulation of Gulf joint stock companies quoted on the market, the liquidation and merger of some companies and the introduction of a system confining daily share price movements to a narrow range also had a positive impact on the market.

Interestingly, this year's share movements reflected a change in the investors' outlook. Investors have become more sophisticated and less speculative. As a result, share prices more or less moved in line with the economic fundamentals.

Q: How do you envisage the performance of the Kuwaiti banking sector next year? Do you think the debt settlement programme restores confidence and encourages greater domestic lending by banks?

A: The programme to settle problem loans has done much to

restore confidence in the banking sector. Clearance of debt overhang geared up banks' lending activities. Consequently, banks lending to the private sector in 1987 (up to Sept.) increased by KD 309 million as compared to KD 112 million and KD 88.6 million in the comparable periods of 1986 and 1985 respectively.

Detailed figures for September — the most recent available — show that lending grew to all sectors except real estate, where it has declined by KD 3 million in the first 9 months of 1987. Lending to trading and construction sectors showed a jump of KD 53.9 and KD 73 million respectively in 1987 as against increases of KD 3.1 million and KD 33.4 million in the same period of 1986.

Notably, lending to the construction sector showed a rise to KD 774.1 million in Sept 1987, the highest level recorded in recent years.

No doubt that this pick-up in bank credit is a healthy sign. Given the prospects for a further revival of the economy and the reduction in cost of borrowing owing to a downward interest rate adjustment credit demand will gradually increase. The three sectors which will generate much

of the credit demand will be trade, construction and financial institutions.

But then the expected additional credit requirement will only use up a portion of the vast deployable resources available with banks. This is natural given the limited absorptive capacity of the Kuwaiti economy. Hence, banks will have to extend their business abroad in search of asset growth. While doing so, banks may have to diversify their foreign assets portfolio with a view to increasing the return on such assets. Note that presently, banks' assets abroad are largely held in risk-free deposits with banks.

Even domestically, banks may have to venture into new lines of business to increase their profitability. There is now an increasing realisation that retail banking in the local market is insufficiently profitable. The recent trend in the region has been to switch banks' focus to investment and merchant banking. Perhaps, it is time that Kuwaiti banks moved into investment and merchant banking to meet the growing needs of high net worth individuals and the growing corporate entities. Once the Gulf economy picks up, it will open a number of opportunities to Kuwaiti banks.

Total reserves estimated at KD25b

Kuwait regains financial confidence

By M.C. Bose

THE chief economist and assistant general manager of the National Bank of Kuwait, Dr Ziad Taky, has said there are more indications that the Kuwaiti economy is completing the consolidation process that has been taking place in the last four years. This is reflected in the relative stability in oil revenues experienced during 1987 and the adoption by the government of an expansionary fiscal policy which involves increasing overall expenditures by 3.4 per cent, including an increase of 7.5 per cent in allocations for development projects, emphasizing those that generate greater activity in the local economy.

Dr Taky told the Arab Times that the outlook for the domestic economy during 1988 remains favourable but affected to a great extent by developments in the international oil markets and whether any progress is achieved in the reduction of hostilities in the region.

However, it is expected that the first half of 1988 will still be affected by expenditures set in the 1987-88 budget.

Activity
Government expenditures will remain the main catalyst of overall business activity in 1988, affecting positively the construction sector particularly housing for Kuwaiti nationals, and the services sectors.

According to published data,

the total reserves of the State of Kuwait are estimated at KD25 billion, of which about KD14.3 billion are in the Reserve Fund for Future Generation, and the balance (KD10.7 billion) is in the General Reserve Fund. All indications show that these funds are being invested prudently with emphasis on the geographic and sectoral diversification of risk. The recent purchase of 15 per cent of BP shares appear to be in line with the choice of a good investment that will be generating adequate dividend yield and indicates a greater involvement in an oil related sector of activity," Dr Taky added.

The recent launch of the government borrowing programme through the issuance of Treasury bills and bonds up to KD1,400 million should reduce the need for the use of the reserves to finance any budgetary deficit.

Expenditure

He said that Kuwait's public finance started to reap the benefits of rationalisation in the 1986/87 fiscal year, when the drop in total revenues to KD1,723 million, was to some extent, offset by a larger than expected 12 per cent cut in expenditure to KD2,723 million. This leaves a strictly defined budget deficit of KD1,000 million.

The 1987/88 budget announced on June 30, 1987 continues the previous year's fiscal policies. An anticipated 3.5 per cent increase in revenues mainly from firmer oil prices, will rise a shar-

per 7.3 per cent, clearly reflecting the government's desire to support the productive sectors. Wages and salaries are also set to increase by 10 per cent, though the final budget deficit will probably be less than the projected KD1,179 million, depending whether the firmness in oil prices continues until the end of the fiscal year in June 1988.

The considerable headway achieved in the implementation of the "Difficult Credit Facilities Settlement Programme" has gradually restored confidence to the financial sector.

Data released by the authorities show that about 94.4 per cent of the total debt settlement cases have been "technically" settled.

The programme guarantees the rights of depositors and shareholders as well as banks' total equity position as it stood on December 31, 1975.

The progress achieved so far should enable the banks to concentrate more on productive activities in the local economy. Moreover, the fact that the government guarantees the equity position of all the banks as it stood at end 1985 has eliminated any doubts regarding the support that the authorities will provide to local banks.

Dr Taky said the reopening of the Kuwaiti dinar bond market to foreign borrowers is of course subject to the approval of the monetary authorities, taking

into consideration the liquidity conditions in the market as well as any forthcoming issues in the public debt borrowing programme.

Last May, the National Bank of Kuwait received approval from prime international borrowers and solely lead manage the only two foreign bond issues since 1982, namely, the KD20 million for the World Bank, both are AAA-rated institutions.

It is hoped that the monetary authorities will consider the reopening of the KD market again to foreign borrowers now that the Treasury borrowing programme has proved to be a great success.

This step should provide the local financial institutions with the opportunity to lend the surplus Kuwaiti dinar in hand.

Dr Taky added that the December Opec meeting, which ended with no new agreement, brought to a close the fragile yet surprisingly effective stability in oil prices.

Undoubtedly the price being organisation-regulated, was artificial to demand and supply positions, with excess production suggesting that a market determined price average \$15.00, would have prevailed for most of last year, in the absence of the Opec agreement.

Oil production above the Opec quotas as well as stock-piling by consuming countries in the immediate wake of the Opec disagreement, should put more

pressures on prices.

Against the international lower growth environment the possibility that prices may dip beneath \$12.00, per barrel cannot be ruled out, with such a lower price prevailing for several months.

However, given supply constraints (many oil wells in the US have to shut down at the price of \$10.00), increased fuel substitution into oil and Opec inevitable realisation that a freefall in oil prices is not in anybody's interest, a price of around \$10 to \$12 is unlikely to be permanent.

Production
An eventual Opec agreement and lower production will firm prices towards \$15.00, with most oil analysts estimating a supply and demand equilibrium price averaging \$15.00 for 1988 as a whole — however violent oscillations notably in the near term and particularly on the downside must be recognised.

The impact of the above adverse developments in the oil market will be much less severe on Kuwait because of its disjunct advantage of relying less on the export of crude oil, since Kuwait's exports over 60 per cent of its oil in the form of refined products, as well as due to Kuwait's successful establishment of retail outlets in Europe, thus delivering the refined products to the ultimate consumer. Both of the above factors provide Kuwait with more flexibility in pricing its oil exports.

International business in 1987

1987 saw the end of the five-year bull market. On Black Monday, October 19, the New York stock market fell 22.6 per cent after having trebled in five years. By October 24 investors in America, Japan and Britain were more than \$1 trillion poorer. Hong Kong's market temporarily closed.

Stockmarkets limped through the remainder of the year. Tokyo was hit less hard than the others. Real economic growth continued at between 2 per cent and 3

per cent in most rich countries, with low inflation, but some EEC and OECD soothsayers predicted a less happy new year according to the Economist.

The falling dollar

The American dollar touched new lows against the yen (around 126) and the D. mark (DM1.62). The markets were unimpressed by plans to reduce America's budget deficit by \$30 billion in the current fiscal year, and by West Germany's attempts to boost its economy with increased

investment spending. Japanese exporters coped well with the mighty yen by cutting costs and moving production overseas, particularly of cars and consumer goods. Helped by government spending, Japan's domestic demand grew by a vigorous 4-1/2 per cent or so in 1987.

A big settlements backlog posed problems as London's newly deregulated market heated up. After the crash, this turned to concern about whether

some investors had the cash to settle at all. They did.

Job-hopping turned to job-hunting in a shakeout of financial firms. Six firms left the Eurobond market: Chemical Bank in New York moved to cut 2,000 jobs worldwide; Salomon Brothers sacked 800 employees and quit the American municipal-bond market; Shearson Lehman, a Wall Street investment bank, bought a retail stockbroker, E.F. Hutton.

(Continued on Page 14)

IDB loan for Jordan

JEDDAH, Dec 30, (Opecna): The Islamic Development Bank (IDB) is to extend a \$15 million loan to Jordan for the import of crude oil from a member country.

The credit was signed here by IDB president Dr Ahmad Mohamed Ali and the Jordanian ambassador to Saudi Arabia, Mohamed Rassol Al Kilani.

This brings total IDB financing to Jordan since August this year to \$41.6 million.

World Business Summary

A mood of cautious optimism prevails

LONDON, Dec 30, (Kuna): Comparatively stable oil prices and good investment earnings have resulted in renewed business confidence in Kuwait over the last year, according to a specialist shipping newspaper. In a special three-page supplement on Kuwait, Lloyd's List focused on the economy, shipping and oil market in the country.

A mood of "cautious optimism" after two years of recession prevailed and the government had turned the economy around after setting the fall out from 1982's Souk Al Manakh collapse. Most experts agreed that the upturn in economic activity over the last year was built on firmer ground than the highly speculative days of the late 70s and early 80s, the daily said. The economy was perhaps more vulnerable to the recent stock market crash than fears about oil prices, it noted, but the estimated \$86,000 million invested by the Kuwaitis worldwide was part of a long-term strategy and not based on quick profit-taking.

The government had moved to reduce Kuwait's overdependence on crude and products sales and this had already met with some success.

The paper also commented that the insurance sector was set for a modest upturn in premium income this year, stemming from an increase in government spending over the last year which had stimulated construction work in the country.

Meanwhile, according to a Gulf report based on International Monetary Fund statistics, total GCC imports from Japan, the US and EEC member states dropped from \$55,074 billion in 1984 to \$46,599 billion in 1985 and to \$40,724 billion in 1986. GCC states' imports from 1984 to 1986, dropped as follows: Kuwait from \$7,902 to \$5,634 billion, United Arab Emirates from \$7,043 to \$6,750 billion, Bahrain from \$3,524 to 2,390 billion, Saudi Arabia from \$33,695 to \$22,114 billion, Oman from \$2,748 to \$2,714 billion, Qatar from \$1,162 to \$1,095 billion.

Japan cuts business operations in Iran

TOKYO, Dec 30, (Reuters): Japanese companies are sharply cutting new oil import contracts with Iran and laying off staff or closing their Tehran offices, the mass circulation Yomiuri Shimbun reported today.

The cuts follow an advisory from the Ministry of International Trade and Industry to Japanese companies urging them to reduce their dealings with Iran, the newspaper said.

A MIT spokesman was not available for comment because of the extended New Year holiday. Japan receives more than half of its oil supplies through the Strait of Hormuz and thus has been anxious to avoid antagonising Gulf war combatants Iran and Iraq. The Yomiuri said Japan was expected to reduce new oil import contracts by a hefty 33 per cent from January next year to a total of around 240,000 barrels of Iranian crude oil.

Japanese companies plan to reduce Tehran staff by an average of 20 per cent to a total of 210 employees, and two unidentified companies have closed their Tehran offices, it said. Trade between Iran and Japan fell markedly during the first half of 1987. Japan's dollar-based exports to Iran dropped 20 per cent to \$537 million, while its imports from Iran fell 22.6 per cent to \$846 million.

WORLD STOCK MARKETS

ARAB TIMES, THURSDAY, DECEMBER 31, 1987-FRIDAY, JANUARY 1, 1988

LONDON (Alpha Stocks)

| NAME | LAST | 118/0 |
|------------|-------|-------|
| ABBIE LFE | 242/0 | |
| ALD LYONS | 355/0 | |
| AMSTRAD | 119/0 | |
| ARGYLE GP | 193/0 | |
| ASDA NFI | 172/0 | |
| A 8 FOODS | 300/0 | |
| BAA PP | 89/0 | |
| BTR | 273/0 | |
| BAT INOS | 465/0 | |
| BARCLAYS | 465/0 | |
| BASS | 830/0 | |
| BEAZER | 172/0 | |
| BEECHAMS | 455/0 | |
| BET ORD | 228/0 | |
| BICC PLC | 348/0 | |
| BLUE ARW | 108/0 | |
| BLUE CIRC | 435/0 | |
| BUC GP | 395/0 | |
| BOOTS CO | 240/0 | |
| BPB INDS | 268/0 | |
| BR COMM | 317/2 | |
| BR AIRWAY | 150/0 | |
| BR AEROSP | 347/0 | |
| B RAS PP | 126/0 | |
| B.P. | 256/6 | |
| B.P. NEW | 70/2 | |
| BR TELCOM | 228/0 | |
| BRITTOIL | 436/0 | |
| BUNZL | 165/0 | |
| BURMAN OL | 442/4 | |
| BURTON | 225/0 | |
| CABLEWIR | 335/0 | |
| CADBURYS | 235/0 | |
| COATS VILY | 275/0 | |
| COM UNI | 340/0 | |
| COOKSON | 940/0 | |
| COURTAULD | 513/0 | |
| DALGETY | 318/0 | |
| DEE CP | 214/6 | |
| DIXONS | 211/0 | |
| ENG CHINA | 397/0 | |
| ENTER OIL | 265/0 | |
| FERRANTI | 90/4 | |
| FISONS | 265/0 | |
| GEN ACCIO | 820/0 | |
| GEN ELEC | 163/0 | |
| GLAXO | 005/0 | |
| GRANADA | 303/0 | |
| GLOBE | 126/0 | |
| GRAND MET | 465/0 | |
| GUS A | 135/0 | |
| GUARD RYL | 848/0 | |
| GKN | 291/0 | |
| GUINNESS | 290/0 | |
| HUMBERS A | 550/0 | |
| HANSON | 131/0 | |
| HAWKER SIO | 448/0 | |
| HAWLEY | 96/4 | |
| HILLSDOWN | 285/0 | |

LONDON (Beta Stocks)

| NAME | CLOSE | OPEN |
|-------------|-------|-------|
| A.B. ELECT | 359/0 | 360/0 |
| APV PLC | 120/0 | 121/0 |
| AARONSON | 107/0 | 108/0 |
| AAH HDLG | 311/0 | 312/0 |
| ACATOS-HT | 438/0 | 438/0 |
| ADDISON G | 94/0 | 95/0 |
| ADVEST GP | 280/0 | 281/0 |
| ALISA | 136/0 | 135/0 |
| ALEX WRKW | 169/0 | 170/0 |
| ALLIANCE | 713/0 | 715/0 |
| ALLO COLL | 116/0 | 116/0 |
| ALLO PLAN | 41/0 | 42/0 |
| AMARI PLC | 138/0 | 138/0 |
| AMEC PLC | 314/0 | 317/0 |
| AMER TRUS | 105/0 | 105/0 |
| AMERSHAM | 433/0 | 435/0 |
| ANGLIA TV | 345/0 | 345/0 |
| ANSCHER | 70/0 | 70/0 |
| U-APR HOL | 338/0 | 338/0 |
| APPLEYARD | 310/0 | 313/0 |
| APRICOT | 35/0 | 35/0 |
| ARMSTRONG | 134/0 | 136/0 |
| ANGLO OIS | 247/0 | 250/0 |
| ARLSCUTUM | 270/0 | 270/0 |
| ASHLEY L | 125/0 | 128/0 |
| AUTO SEC | 234/0 | 235/0 |
| AVIS EUR | 276/0 | 277/0 |
| AVON RUBB | 620/0 | 620/0 |
| BBA GP | 158/0 | 158/0 |
| BSG INTL | 68/0 | 69/0 |
| BAILL JAP | 380/0 | 380/0 |
| BANKER IT | 61/0 | 61/0 |
| BK OF SCO | 530/0 | 531/0 |
| BARKER DO | 145/0 | 147/0 |
| BARRY DEV | 180/0 | 181/0 |
| B.WEIMILL | 140/0 | 140/0 |
| BEJAM GP | 179/0 | 181/0 |
| BELHAVEN | 43/0 | 44/0 |
| BELLWAY | 180/0 | 181/0 |
| BEHMOSE | 33/0 | 33/0 |
| BENLOX HD | 34/0 | 34/0 |
| U-BENNETT | 34/0 | 34/0 |
| BENTALS | 152/0 | 153/0 |
| BERISFORD | 299/0 | 299/0 |
| BERKELEY | 244/0 | 245/0 |
| BLCK LE 2 | 20/2 | 20/2 |
| BOASE MAS | 238/0 | 241/0 |
| BOODINGTON | 139/0 | 140/0 |
| BOOKER PL | 379/0 | 380/0 |
| BORTHWICK | 44/0 | 46/0 |
| BOATHE | 349/0 | 350/0 |
| BONTHORPE | 170/0 | 173/0 |
| BRAMMER | 221/0 | 221/0 |
| BRENT CHE | 117/0 | 118/0 |
| ELLIS GOL | 54/0 | 54/0 |
| EMPIRE ST | 239/0 | 239/0 |
| ERKINE H | 179/0 | 177/0 |
| ETAM | 273/0 | 273/0 |
| EUTROTHERM | 255/0 | 255/0 |
| EUTROTIN UT | 235/0 | 234/0 |
| EUROIN UT | 14/0 | 14/0 |
| EVERED HL | 100/0 | 101/0 |
| EVODE GP | 143/0 | 147/0 |
| FXI BACCK | 113/0 | 114/0 |
| FARNELL E | 157/0 | 157/0 |
| FED. HOUSN | 177/0 | 178/0 |
| FENNER JR | 144/0 | 145/0 |
| FERGUSON | 281/0 | 281/0 |
| U-FIELDS M | 138/0 | 138/0 |
| FINE ARTS | 215/0 | 215/0 |
| FLEMING T | 135/0 | 137/0 |
| FLEMING J | 162/0 | 163/0 |
| F & C PAC | 94/0 | 95/0 |
| FINLAY J | 85/0 | 86/0 |
| FINST-LEE | 480/0 | 480/0 |
| FIRST NAT | 234/0 | 233/0 |
| FIT SCOT | 357/0 | 359/0 |
| FITCH LOV | 271/0 | 273/0 |
| FORDOL IT | 91/0 | 92/0 |
| FOSECO NI | 230/0 | 230/0 |
| FREEMANS | 290/0 | 295/0 |
| FLMG. FE-I | 136/0 | 136/0 |
| FLMG. AN-I | 95/0 | 96/0 |
| FLMG. HRC | 135/0 | 136/0 |
| FLMG. OSEA | 130/0 | 131/0 |
| F R GROUP | 278/0 | 280/0 |
| U-FLOYD O | 280/0 | 280/0 |
| FRESHBAKE | 93/0 | 93/0 |
| U-FORD M | 84/0 | 85/0 |
| GEEST PLC | 223/0 | 223/0 |
| GEI INYL | 117/0 | 118/0 |
| GERRO & NAT | 315/0 | 315/0 |
| GVIT IND | 200/0 | 201/0 |
| GESTETHER | 169/0 | 168/0 |
| GLYMED | 451/0 | 451/0 |
| GVIT ATL | 103/0 | 105/0 |
| GVIT STRT | 216/0 | 217/0 |
| GRIFFOAT | 320/0 | 321/0 |
| U-GODIN C | 117/0 | 116/0 |
| GRNPP-TV | 46/0 | 46/0 |
| GRNP. TV-H | 213/0 | 212/0 |
| GRA GP | 78/0 | 78/0 |
| GT PTHO | 288/0 | 288/0 |
| HT UNVLS | 718/0 | 700/0 |
| GRNHL WTL | 184/0 | 185/0 |
| GRN. KING | 442/0 | 440/0 |
| GUIN. PEA | 87/0 | 88/0 |
| HIV GROUP | 233/0 | 233/0 |
| HALL (M) | 127/0 | 126/0 |
| HAMBROS I | 184/0 | 185/0 |
| HRRS. QWNS | 128/0 | 130/0 |
| HRSN-CRSE | 541/0 | 543/0 |
| U-HATHRN | 24/0 | 23/4 |
| HATHR CE | 410/0 | 410/0 |
| HNDRSN GP | 318/0 | 313/0 |
| HPATH. CRM | 223/0 | 225/0 |
| HEMO-STUR | 110/0 | 111/0 |
| HEYWOOD W | 246/0 | 247/0 |

World Indices

| INDEX | LATEST | 1/PREV-DAYS/2 | PREV-OR. | PREV-YR |
|------------|--------|---------------|----------|---------|
| FT 30 ORD | 1408.0 | 1382.3 | 1419.4 | 1853.7 |
| FT 500 SHR | 0 | 963.7 | 986.0 | 1323.8 |
| FT ALL SHR | 0 | 875.62 | 875.12 | 1208.89 |
| FT GOV SEC | 0 | 88.82 | 88.45 | 85.55 |
| FT GOV MDN | 0 | 309.1 | 307.7 | 453.1 |
| FT MINES F | 0 | 147.03 | 163.38 | 688.22 |
| FT OIL | 0 | 1678.6 | 1736.4 | 2884.4 |
| FT WLD DLR | 113.64 | 114.42 | 116.35 | 136.44 |
| FT JLD STG | 90.54 | 91.18 | 94.57 | 124.45 |
| FT WLD LDC | 96.78 | 99.36 | 92.69 | 130.67 |

London Stock Market Report

UK EQUITIES FIRM WITH WALL STREET IN LATE TRADING
LONDON, DEC 30 - U.K. SHARES STOOD FIRM IN LATE TRADING WITH THIS MORNING'S RALLY FUELLED BY A HIGHER OPENING ON WALL STREET THIS AFTERNOON, DEALERS SAID.

THE DOLLAR'S NEW FOUND STEADINESS AND BARGAIN HUNTING AFTER MONDAY'S SHAKEOUT HELPED DRIVE PRICES HIGHER THROUGHOUT THE DAY, BUT VOLUME WAS SEASONALLY LIGHT WITH A MODEST 222 MLN SHARES TRADED BY 1500 GMT. AT 1530 GMT THE FTSE 100 SHARE INDEX WAS UP 27.0 POINTS AT 1,757.3.

CONTINUED ACTIVITY ON THE TAKEOVER FRONT ADDED TO TODAY'S FIRMER TREND, WITH THE NEW BP SHARES THE MOST ACTIVE. AMB SPECULATION THAT KUMAT WAS RAISING ITS STAKE IN THE COMPANY.

KUMAT TODAY CONFIRMED IT HAD RAISED ITS STAKE IN BP TO 17.40 PCT FROM 17.07 PCT. THE NEW BP SHARES WERE STEADY AT YESTERDAY'S CLOSING OF 70P WHILE THE OLD WERE UP 7P TO 257P. THE BATTLE FOR BRITTOIL CONTINUED WITH THE U.S. COMPANY ATLANTIC RICHFIELD (ARC) AGAIN BIDDING FOR BRITTOIL SHARES TODAY WITH NEWS IT HAD RAISED ITS STAKE IN THE U.K. OIL EXPLORATION COMPANY TO 21.1 PCT FROM 20.4 PCT.

BP HAS MADE A 2.27 BILLION STG, 450P PER SHARE, OFFER FOR ALL OF BRITTOIL, WHILE ATLANTIC RICHFIELD IS PROPOSING TO ACQUIRE A 49.9 PCT STAKE IN THE COMPANY. BRITTOIL SHARES WERE UP 3P AT 437-1/2P.

London Gold

LONDON, DEC 30 - GOLD EASED IN LISTLESS HOLIDAY TRADING TO CLOSE AT 484.25/75 OLSR AN OUNCE, AGAINST YESTERDAY'S 486.50/487 OLSR AND AFTER AN AFTERNOON FIX TODAY OF 484.10.

A STEADIER DOLLAR AGAIN CENTRAL BANK INTERVENTION TO PROP UP THE CURRENCY DISCOURAGED BUYING IN GOLD, AND PRICES DRIFTED LOWER AS THE SESSION WORE ON, ANALYSTS SAID. OPERATORS WERE UNWILLING TO TAKE SIGNIFICANT POSITIONS ON EITHER SIDE OF THE MARKET BEFORE THE NEW YEAR BREAK. VOLUME WAS LIGHT.

PRICES TRADED IN A FAIRLY NARROW RANGE, TOUCHING A HIGH OF 487/487.50 AND A LOW OF 482.50/483 OLSR. A WEAKER TREND IN NEW YORK GOLD FUTURES PROMPTED LIGHT PROFESSIONAL SELLING.

London Money Market

LONDON, DEC 30 - MONEY MARKET INTEREST RATES WERE STEADY AT YESTERDAY'S CLOSING LEVELS AFTER AN EARLY 1/16 POINT MARKDOWN FAILED TO PROVOKE FOLLOW-THROUGH INTEREST, DEALERS SAID.

THE MARKET WAS QUIET, WITH MANY OPERATORS ENJOYING A LONG CHRISTMAS HOLIDAY. BROKERS SAID OPERATORS WHO ARE PRESENT WERE DIVIDED BETWEEN THOSE WHO CANNOT DEAL DUE TO YEAR-END RESTRICTIONS AND THOSE WHO ARE UNSURE OF THE PATH OF U.K. INTEREST RATES AND ARE KEEPING TO THE SIDELINES IN THE ABSENCE OF ANY FIRM INDICATIONS.

THE BENCHMARK THREE MONTHS INTERBANK RATE ENDED THE DAY UNCHANGED AT 8-15/16 13/16 PCT.

Foreign Exchange

| DLR | STG | DMK | FFR | OPG |
|-----------------|-------------|-------------|--------------|------|
| 1.8550/95 | 1.5550/60 | 2.9680/9715 | 10.0375/0615 | NOON |
| DMK 1.5920/6005 | 2.956/970 | 29.440/600 | FIX | |
| FFR 5.4065/4205 | 10.037/055 | 338.9/339.3 | FIX | |
| SFR 1.2925/2940 | 2.3982/4036 | 80.91/81.08 | 23.88/93 | 1300 |
| ECU 1.7970 | 3.3350 | 112.465 | 33.21 | FIX |
| ECU 1.29177 | 6.95808 | 2.0637 | 499104 | FIX |
| SDR 1.40817 | UNAV | 2.25617 | 7.65059 | CLSE |
| YEN 123.42/52 | 229.40/72 | | | NOON |
| SDR | 29/12/1987 | OTHERS | 30/12/1987 | |

| NAME | CLOSE | OPEN |
|-------------|-------|-------|
| BRYANT HL | 131/4 | 133/0 |
| BUCKLEYS | 172/0 | 172/0 |
| BULMER HP | 161/0 | 162/0 |
| BURGESS | 213/0 | 212/0 |
| U-CPU COM | 88/0 | 88/0 |
| CALEDONIA | 321/0 | 320/0 |
| CAMB INST | 53/0 | 54/0 |
| CAMB ELEC | 205/0 | 206/0 |
| CANNING W | 177/0 | 178/0 |
| CAP. RADIO | 160/0 | 161/0 |
| CARADON | 241/0 | 242/0 |
| CARLESS C | 93/4 | 96/0 |
| CARLTON C | 655/0 | 650/0 |
| CATER ALL | 340/0 | 340/0 |
| CENTL ITV | 444/0 | 443/0 |
| CANTOR INC | 295/0 | 296/0 |
| CHARTERHA | 26/0 | 26/0 |
| CHARTERED | 57/0 | 58/0 |
| CHRISTIES | 415/0 | 413/0 |
| CHAS. CHUR | 106/0 | 109/0 |
| U-CIFER | 20/0 | 20/0 |
| U-CLUFF | 119/0 | 120/0 |
| CLOYE PET | 104/0 | 106/0 |
| COALITE | 343/0 | 343/0 |
| COATES BR | 333/0 | 335/0 |
| CASE GP | 53/0 | 53/0 |
| COLLINS W | 590/0 | 588/0 |
| COLLINS A | 433/0 | 440/0 |
| CNTRL. SCR | 44/0 | 44/0 |
| COLOROLL | 224/0 | 225/0 |
| COSTAIN G | 269/0 | 272/0 |
| COURTS A | 158/0 | 155/0 |
| CREST NIC | 187/0 | 189/0 |
| CRODA INT | 192/0 | 193/0 |
| CROATNER | 113/0 | 116/0 |
| CRYSTALIT | 147/0 | 148/0 |
| DARES EST | 28/0 | 29/0 |
| DAVIS G | 159/0 | 161/0 |
| DAVY CP | 134/0 | 134/0 |
| DELTA IN | 210/0 | 212/0 |
| DELSON GP | 266/0 | 267/0 |
| U-DEMY W | 100/0 | 97/0 |
| DRG PLC | 406/0 | 406/0 |
| DIPLOMA | 183/0 | 182/0 |
| DOLBON PK | 115/0 | 116/0 |
| DOUGLAS R | 229/0 | 230/0 |
| DONNY GP | 168/0 | 168/0 |
| DRAYTON J | 713/0 | 715/0 |
| ORAYTON C | 403/0 | 405/0 |
| ORUNWILL | 155/0 | 155/0 |
| EAGLE TST | 16/2 | 16/0 |
| EAG TST RF | 16/2 | 15/6 |
| U-EALING | 65/0 | 65/0 |
| EDIN AMER | 138/0 | 140/0 |
| EDIN INT | 138/0 | 140/0 |
| U-ELDRGE | 322/0 | 320/0 |
| ELECTRA I | 176/0 | 178/0 |
| ELECTROCH | 168/0 | 168/0 |
| ELEC RENT | 86/0 | 88/0 |
| ELLIS EVA | 144/0 | 146/0 |
| EMAP PLC | 183/0 | 181/0 |
| ELLIS GOL | 54/0 | 54/0 |
| EMPIRE ST | 239/0 | 239/0 |
| ERKINE H | 179/0 | 177/0 |
| ETAM | 273/0 | 273/0 |
| EUTROTHERM | 255/0 | 255/0 |
| EUTROTIN UT | 235/0 | 234/0 |
| EUROIN UT | 14/0 | 14/0 |
| EVERED HL | 100/0 | 101/0 |
| EVODE GP | 143/0 | 147/0 |
| FXI BACCK | 113/0 | 114/0 |
| FARNELL E | 157/0 | 157/0 |
| FED. HOUSN | 177/0 | 178/0 |
| FENNER JR | 144/0 | 145/0 |
| FERGUSON | 281/0 | 281/0 |
| U-FIELDS M | 138/0 | 138/0 |
| FINE ARTS | 215/0 | 215/0 |
| FLEMING T | 135/0 | 137/0 |
| FLEMING J | 162/0 | 163/0 |
| F & C PAC | 94/0 | 95/0 |
| FINLAY J | 85/0 | 86/0 |
| FINST-LEE | 480/0 | 480/0 |
| FIRST NAT | 234/0 | 233/0 |
| FIT SCOT | 357/0 | 359/0 |
| FITCH LOV | 271/0 | 273/0 |
| FORDOL IT | 91/0 | 92/0 |
| FOSECO NI | 230/0 | 230/0 |
| FREEMANS | 290/0 | 295/0 |
| FLMG. FE-I | 136/0 | 136/0 |
| FLMG. AN-I | 95/0 | 96/0 |
| FLMG. HRC | 135/0 | 136/0 |
| FLMG. OSEA | 130/0 | 131/0 |
| F R GROUP | 278/0 | 280/0 |
| U-FLOYD O | 280/0 | 280/0 |
| FRESHBAKE | 93/0 | 93/0 |
| U-FORD M | 84/0 | 85/0 |
| GEEST PLC | 223/0 | 223/0 |
| GEI INYL | 117/0 | 118/0 |
| GERRO & NAT | 315/0 | 315/0 |
| GVIT IND | 200/0 | 201/0 |
| GESTETHER | 169/0 | 168/0 |
| GLYMED | 451/0 | 451/0 |
| GVIT ATL | 103/0 | 105/0 |
| GVIT STRT | 216/0 | 217/0 |
| GRIFFOAT | 320/0 | 321/0 |

International Bond Highlights

NEW YORK: IBM Credit Corp. a unit of International Business Machines Corp. said it will redeem on February 1, 1988, all of its outstanding 300 mln dlrs of extendible Eurobonds of 2000.

Bahrain - Saudi Arabia will issue government bonds to help finance development expenditure, King Fahd said in his 1988 budget address.

Washington - Easman Kodak Co filed with the Securities and Exchange Commission for a proposed shelf offering of up to 1.5 billion dlrs of debt securities on terms to be determined at the time of the sale.

Interbank Rates

| CALL | ONE MONTH | THREE MONTHS |
|--------------------|----------------|---------------|
| LDN 8-5/8 9/16 | 8-5/8 9/16 | 8-15/16 13/16 |
| FFI 2.95/3.05 | 3.60/65 | 3.60/65 |
| PAR 7-13/16 FXSAG | 7-15/16 8-1/16 | 8-7/16 9/16 |
| ZUR 7/8 1-1/8 | 2-1/2 2-3/4 | 2-3/4 3 |
| BRX 3.80 | ***** | ***** |
| ROM 10-1/4 10-3/4 | 11-1/4 11-3/4 | 11-1/4 11-3/4 |
| AMS 4-9/16 4-11/16 | 4-9/16 4-11/16 | 4-5/8 4-3/4 |
| TOK 4.0625 1250 | 3.9375 4.0000 | UNO |
| ECU 6.43 6.68 | 6.75 6.87 | 6.87 7.00 |

Interest Rates

FOLLOWING are the average KD interest rates of local interbank transactions as reported by participants to Central Bank of Kuwait on yesterday:

| Period | Bid | Offered |
|----------|--------|---------|
| 1 month | 3 1/4 | 3-3/4 |
| 3 months | 4-3/4 | 5 |
| 6 months | 5-3/16 | 5-11/16 |
| 1 year | 5-7/16 | 5-15/16 |

BOMBAY

| PR-CLOSE | OPEN | CLOSE | GIVE | 30.50 | 30.50 | 30.25 | MODIALKALI | --- | --- |
|---------------------|--------|--------|-----------|--------|--------|-------|-------------|-------|-------|
| ACC 155 | 160 | 156.50 | GRAY120 | --- | --- | --- | HARIDACHIT | --- | --- |
| AIHADV | --- | --- | GSFC | 87 | 89 | 88 | ORAY | 23.50 | 24 |
| AIHADVAC | --- | --- | GLUPETRO | 23.50 | --- | --- | PREMUTO | 25 | 25 |
| ANDRA CEN | 11.50 | 11.25 | GMALORON | 95 | 95.50 | 96 | RATHMOND CO | --- | --- |
| ANDRA VLY | --- | --- | INDALCO | 114.50 | 114 | 115 | RATHMOND | 88 | 87.50 |
| BAJAJ AUTO | 4575 | 4625 | NYD LRG | --- | --- | --- | RELANCE | 108 | 108 |
| BAR RAYON | 150 | 152.50 | IND ORG | 24 | 24.50 | 25 | SPIC | 28.50 | 29.50 |
| BOM DYING | 97.50 | 102 | INDORAY | 53 | 53 | 52 | STD MILLS | 205 | 210 |
| BOMBAY STOCK PRICES | --- | --- | INDOROL | 182.50 | 187.50 | 190 | STOMEDICAL | --- | --- |
| BSE INDEX | 434.51 | 435.70 | ITC | 41 | 41 | 39 | STEELTELE | --- | --- |
| CENTURYSPG | 657.50 | 655 | ITC CO | --- | --- | --- | TATA PUR | 190 | 185 |
| COLGATE | 194.50 | 198.75 | JK 120 | --- | --- | --- | TATACHIN | 67 | 66.50 |
| DEPAKPERT | 32 | 32 | JKSYNTH | 60.50 | 60 | 60.50 | TATACHIL | 83 | 82 |
| DRACHEMENT | --- | --- | L AND T | 78 | 79 | 79 | TELCO | 370 | 370 |
| FIDIC ORG | --- | --- | MAGNAHARD | --- | --- | --- | UDAPHOSPH | --- | --- |
| GARNIPOLY | 78.50 | 78 | HAHINDRA | 53.50 | 53 | 53 | VOLTAS | 305 | --- |

FRANKFURT

| STOCK | LAST PR-CLSE |
|------------|--------------|
| AEI | 190.2 |
| ALLIANZ VR | 1144.0 |
| BADENWERK | 179.5 |
| BASF | 255.5 |
| BAYER | 265.8 |
| BAYER HYP | 335.0 |
| BAYER VER | 316.0 |
| BBC | 280.5 |
| BIF | 322.0 |
| BNI | 447.0 |
| CHIEF-VER | 412.0 |
| CHERKEZIK | 214.0 |
| CONTI GUM | 205.2 |
| DAINER BEN | 575.0 |
| DEUTSC BK | 388.0 |
| DLV | 297.0 |
| DRESDNER B | 232.0 |
| DT BAROCK | 153.0 |
| FAZ INDEX | 0.420 |
| GLDINDEX | 230.12 |
| GUTHRIE | 0.0 |
| HARTER | 370.0 |
| HOECHST AG | 250.0 |
| HOESCH | 90.1 |
| HORTEN | 164.0 |
| HUSSEL NLD | 440.0 |
| KALI SALZ | 122.0 |
| KARSTADT | 427.0 |
| KLAUFHO | 417.2 |
| KLOECK N | 81.0 |
| KLOECK W | 0 |
| LINDO | 522.0 |
| LUFTHANSA | 135.5 |
| MAN | 139.0 |
| MANHESMAN | 101.1 |
| MERCEDES | 436.0 |
| METALLGES | 211.0 |
| NITENDORF | 555.5 |
| NORSK VIK | 36.50 |
| PHILIP KOP | 617.5 |
| POSCHE | 440.0 |
| PREUSSAG | 112.5 |
| PVA | 172.5 |
| RHEIN | 209.5 |
| RHEIN P | 202.0 |
| RHEINMETAL | 241.0 |
| SALAMANDER | 275.0 |
| SCHERING | 353.0 |
| SEL | 283.5 |
| SIEMENS | 359.0 |
| THYSSEN | 104.5 |
| VARTA | 220.0 |
| VEBA | 260.1 |
| VEW | 162.5 |
| VOLKSWAGEN | 224.5 |

SINGAPORE

| NAME | LAST PR CL | EST | 101 | 100 | L & M GRP | 106 | 106 |
|-------------|------------|-------|-----------|------|-----------|-----------|------|
| ATIMOTO | 285 | 285 | QUINNESS | 218 | 222 | LION CORP | 142 |
| ALEXANDRA | 200 | 200 | H K TIN | 72 | 72 | M UTD HFG | 67 |
| ALAM IND | 112 | 112 | N L IND | 118 | 115 | M SHITA | 480 |
| AMB HDGS | 130 | 130 | N TAI PAN | 55 | 55 | M WATA | 80 |
| ANCOL | 116 | 116 | HARIMAU | 82 | 83 | MAGNUM | 204 |
| BATA | 260 | 260 | HAW PAR | 280 | 273 | MALEX IND | 380 |
| CARLSBERG | 440 | 446 | HEXZA | 92 | 92 | MARCOPOLO | 75 |
| CCN | 300 | 280 | NIND HOTL | 34 | 34 | NCS HDGS | 75 |
| CS HDGS | 33 | 32 | N L N'SIA | 560 | 560 | HEANG | 43 |
| DKH | 460 | 460 | NTL NEGAR | 376 | 376 | METAL BOX | 332 |
| DUNLOP IND | 76 | 75 | NTL PROPS | 74.5 | 74 | M PLEAS | 25 |
| DUTA CON | --- | --- | HUM ROYAL | 112 | 115 | MTC BHD | 334 |
| ESSO ORD | 322 | 322 | HUM IND | 156 | 156 | MULTIPUR | 39.5 |
| EU YAN S | 195 | 195 | INT WOOD | 86 | 86 | MURATASOO | 160 |
| EVEPERACE | --- | --- | INTRACO | 196 | 197 | WATL IRON | 462 |
| F A C | 60 | 60 | ISETAN | 450 | 450 | QUE | 280 |
| F E ASSET | 80 | 80 | J CEMENT | 60 | 60 | P H C | 60 |
| F E BSHIP | 201.5 | 200.5 | JACKS LTD | 160 | 160 | RALEIGH | 112 |
| F E FAN ORD | 775 | 760 | JOHAN IND | 142 | 142 | S JORKE | 320 |
| FED CABLE | --- | --- | K G HDGS | 112 | 112 | S PACIFIC | 320 |
| FED FLOOR | 560 | 560 | K L IND | 31.5 | 31.5 | SAN HDGS | --- |
| FIMA BND | 220 | 220 | K SANG | 120 | 120 | SANYO | 204 |
| G KENT | 60.5 | 60.5 | KECK SENG | 168 | 168 | SATERAS | 36 |
| G TOWN | 250 | 250 | KEPPEL | 176 | 175 | SAT INC | 90 |
| GEN CORP | 69 | 70 | KFC RIGNY | 5 | 5 | SEAVIEW | 160 |
| GENTING | 394 | 392 | K FLOOR | 250 | 250 | SIA | 895 |
| GOLD COIN | 165 | 173 | KIAN JOO | 238 | 238 | SIM HENG | 270 |
| GOODWOOD | 1050 | 1050 | KINGS NTL | 132 | 120 | SPK SENO | 108 |
| GRAND CEN | 94 | 94 | KUMP EWAS | 85 | 85 | TIME ENG | 155 |

Singapore Stock Market Report

SINGAPORE STOCKS CLOSE MODERATELY HIGHER BUT OFF THE DAY'S PEAK IN FAIRLY QUIET TRADING DESPITE THE OVERNIGHT FALL ON WALL STREET, BROKERS SAID. THE MARKET OPENED HIGHER AND CONTINUED TO RISE ON BARGAIN HUNTING UNTIL LATE IN THE AFTERNOON, WHEN PROFIT-TAKERS AND INSTITUTIONAL SELLERS APPEARED TO PARE THE GAINS SLIGHTLY, DEALERS SAID.

THE FIRMER TREND HELPED THE STRAITS TIMES INDUSTRIAL INDEX CLIMB 12.66 POINTS TO 823.58 FROM TUESDAY'S CLOSE OF 810.92 AND THE TURNOVER ROSE TO 28.6 MLN SHARES FROM 18.7 MLN.

Despite its slide

Dollar a keystone of global economy

LONDON, Dec 30, (Reuters): When, as this week, India wants phosphate from Jordan, Bulgaria needs an extra 100,000 tonnes of sugar or Japan buys oil from Iran, they all pay with dollars.

Soviet banks make foreign loans in dollars. African black market shoppers spend them. The wealth of people from Kyoto to Kinshasa depends on the dollar's worth.

Economists say this way of doing business will probably continue, at least for some time, even though the dollar has halved in value against other leading currencies since 1985 because of America's economic problems.

Lows

It has historic lows of 1.5865 West German marks and 122.75 Japanese yen this week. But, said Evelyn Brodie, an economist at merchant bankers Morgan Grenfell and Co in London: "We're learning to live with it."

The dollar is a keystone of the global economy, the so-called reserve currency in which, ultimately, the price of just about everything is fixed.

It is a matter of convenience, convention and faith -- and, Brodie explained, because "nobody else really wants their currency to do the job."

Having a reserve currency constrains a government, as Britain found out when sterling filled such a role. It means, as the United States is discovering now,

that other countries demand, and get, a say in its monetary policy.

Once a product moves across a border anywhere in the world, the value of the dollar affects the income its maker earns and the price its buyer pays.

Goods or services only change hands when both buyer and seller agree on their worth. And that is made a lot easier when they have a common measure of value that works.

In Beirut, youngsters wear T-shirts saying: "I love you, dollar."

Their parents, worried that Lebanon's soaring inflation will continue to eat away the value of their earnings in Lebanese pounds, race to change their paycheques into dollars. Later, they buy their own currency with the proceeds.

"My theory on changing my salary into dollars has never let me down," said Anwar Rachid, 32 an engineer.

Sale

The Soviet Union, oil analysts say, is keenly aware of the dollar price of oil when it arranges a sale of its own crude to its East bloc allies.

Swiss bankers sell bars of gold for dollars, not Swiss francs. Mexico pays off its creditors in dollars.

It may be difficult to make the actual exchange, but there are 5.53 Albanian leks to the dollar. Meanwhile, the values of most of Latin American currencies,

organisation's reference price -- are now worth \$2.18 less than they were when the price was set a year ago.

West Germany earmarked additional Saturday work shifts before Christmas because of the weakening dollar, which cuts its sales in the US market.

So in other words, the Deutschmark firms like Daimler-Benz must push up the dollar prices of their cars or get fewer marks for each sale.

Either way, a weak dollar is bad for business and could be bad news for workers throughout Europe and Asia, which is why European and Asian leaders want an end to the dollar's slide.

The question is, whether Americans does as well.

Stability

"The United States wants to see stability in the dollar," White House spokesman Martin Fitzwater said earlier this week. "We feel strongly that any further decline or excessive fluctuation could be counterproductive."

But currency dealers were not convinced. A US presidential election is due in 1988.

Higher US interest rates could be seen needed -- to make dollar assets more attractive and get more foreign investors to buy them -- if the dollar's fall is to be arrested.

But higher interest rates would crimp an already slowing US economy, and no politician wants that.

Foreign Currency Selling Rates

| Kuwait Int'l Exchange Co. | |
|---------------------------|----------|
| Tel: 2422599-2422733 | |
| 2422738-3917353 | |
| Indian rupees | 21.210 |
| Sri Lankan rupees | 08.910 |
| US dollars | 271.20 |
| Pound sterling | 305.25 |
| UAE dirhams | 73.950 |
| Deutsche marks | 170.500 |
| Japanese yen | 02.210 |
| Greek drachma | 002.16 |
| Tunisian dinar | 350.00 |
| Cyprus pound | 615.60 |
| Bahraini dinar | 720.10 |
| UAE dirham | 074.00 |
| Lebanese pound | 000.650 |
| Saudi riyal | 072.50 |
| Jordanian dinar | 806.30 |
| Sri Lankan rupee | 008.92 |
| Canadian dollar | 208.00 |
| Philippine peso | 013.10 |
| Austrian schilling | 024.25 |
| Qatari riyal | 075.00 |
| Egyptian pound | 123.80 |
| Thai baht | 010.93 |
| Ten tolas | 495.000 |
| 999 kilo bar | 4206.000 |
| 995 kilo bar | 4233.000 |

| Indian Exchange Corporation W.L.L. | |
|------------------------------------|---------|
| Tel: 2463810-2463812 | |
| Fahaneel 3923024-3918087 | |
| Farwanja 4739665 | |
| US dollars | 271.300 |
| Sterling | 305.250 |
| Swiss francs | 212.300 |
| Indian rupees | 21.210 |
| Sri Lankan rupees | 8.910 |
| Singapore dollars | 137.150 |

| Al Kazemi Int'l Exchange Co. | |
|------------------------------|--------|
| City Br. 2422770/4/6/8 | |
| Salm: van 5751786-5740701 | |
| Amhad: 3982251 | |
| US dollar | 271.30 |
| Sterling | 304.70 |
| Deutsche mark | 170.30 |
| Swiss franc | 210.25 |
| Japanese yen | 230.05 |
| French franc | 050.35 |
| Dutch guilders | 151.35 |
| Italian lira | 231.30 |
| Spanish pesetas | 025.05 |
| Belgian franc | 081.35 |

| Canara Exchange | |
|-------------------|---------|
| Tel: 2468462/3 | |
| 2437295-2437300 | |
| Indian rupees | 21.210 |
| Sri Lankan rupees | 8.910 |
| US dollars | 271.100 |
| Pound sterling | 305.500 |
| UAE dirhams | 74.000 |
| Philippine pesos | 13.200 |

SAGAR JEWELLERS

Anzi Bldg, Opp. Gulf Bank H.O.
Tel: 2429132
Gold Rates
22 carat (8 gms) — KD31.200

FAR EAST JEWELLERS

Opp. Safat Post Office
Clinic Road
Tel. 2421606
GOLD RATE
22 CARAT KD 31.700 (8 grams)

KUWAIT

| KUWAIT | | | | | | |
|---|-------|-------|-------|-------|---------|------|
| BANK SECTOR | P.CLS | LT | NIGN | LOW | VOL | TRAD |
| -NATIONAL BANK | 1.000 | 1.000 | 1.010 | 1.000 | 1020000 | --- |
| -GULF BANK | 0.405 | 0.405 | 0.410 | 0.400 | 870000 | --- |
| -COMMERCIAL BK | 0.280 | 0.285 | 0.285 | 0.280 | 1250000 | --- |
| -ANLI BANK | 0.380 | 0.385 | 0.385 | 0.380 | 440000 | --- |
| -B.K.M.E | 0.310 | 0.335 | 0.335 | 0.325 | 30000 | --- |
| -B.K.E.B. | 0.470 | 0.490 | 0.490 | 0.490 | 10000 | --- |
| -BURGAN BANK | 0.285 | 0.290 | 0.290 | 0.285 | 490000 | --- |
| -K.F.HOUSE | 0.500 | 0.500 | 0.510 | 0.500 | 125000 | --- |
| INVESTMENT SECTOR | | | | | | |
| -KWT INV. CO. | 0.226 | 0.232 | 0.236 | 0.230 | 60000 | --- |
| -K.F.T.C.I.C. | 0.210 | --- | --- | --- | --- | --- |
| -K.I.T.I.C. | 0.182 | 0.192 | 0.192 | 0.192 | 20000 | --- |
| -COM.FACILITIES | 0.425 | 0.430 | 0.430 | 0.430 | 20000 | --- |
| -ADHIAH INV. | 0.000 | --- | --- | --- | --- | --- |
| -I.T.F.A. | 0.126 | 0.136 | 0.136 | 0.136 | 20000 | --- |
| -INV. PEARL KWT | 0.120 | 0.122 | 0.128 | 0.118 | 220000 | --- |
| INSURANCE SECTOR | | | | | | |
| -KWT INSURANCE | 0.790 | --- | --- | --- | --- | --- |
| -GULF INSURANCE | 0.420 | --- | --- | --- | --- | --- |
| -ADHIAH INS. CO. | 0.600 | 0.610 | 0.610 | 0.610 | 5000 | --- |
| -WARBA INS. CO. | 0.530 | --- | --- | --- | --- | --- |
| REAL EST SECTOR | | | | | | |
| -KWT R.E.S.T. CO. | 0.290 | 0.280 | 0.285 | 0.280 | 50000 | --- |
| -UNIT R.E.S.T. CO. | 0.140 | 0.140 | 0.150 | 0.140 | 60000 | --- |
| -NAT R.E.S.T. CO. | 0.250 | --- | --- | --- | --- | --- |
| -SALHIAN R.E. | 0.076 | --- | --- | --- | --- | --- |
| -KWT PROJECTS | 0.094 | --- | --- | --- | --- | --- |
| -KWT R.E.I.CON | 0.000 | --- | --- | --- | --- | --- |
| INDUSTRY SECTOR | | | | | | |
| -NAT IND. CO. | 0.600 | 0.610 | 0.610 | 0.610 | 5000 | --- |
| -KWT M.P. IND. | 0.335 | --- | --- | --- | --- | --- |
| -KWT CEMENT CO. | 0.290 | --- | --- | --- | --- | --- |
| -REF. IND. CO. | 0.410 | 0.400 | 0.400 | 0.400 | 10000 | --- |
| -N.A.M.T.CO. | 0.000 | --- | --- | --- | --- | --- |
| -GULF CABLE | 1.020 | 1.050 | 1.050 | 1.050 | 5000 | --- |
| -K.P.N.IND. CO. | 0.210 | 0.220 | 0.220 | 0.220 | 20000 | --- |
| -CONT. MARINE | 0.350 | --- | --- | --- | --- | --- |
| -K.S.W.REP.CO | 0.053 | --- | --- | --- | --- | --- |
| SERVICES SECTOR | | | | | | |
| -OVERLAND TRANS | 0.095 | --- | --- | --- | --- | --- |
| -K.H.C. CO. | 0.218 | --- | --- | --- | --- | --- |
| -KWT HOTELS CO. | 0.168 | --- | --- | --- | --- | --- |
| -P.WAREHOUSING | 0.196 | 0.196 | 0.206 | 0.192 | 60000 | --- |
| -COM.MKT.CMPX. | 0.018 | --- | --- | --- | --- | --- |
| -MOBILE TELE. | 0.400 | 0.400 | 0.400 | 0.400 | 270000 | --- |
| -KWT COMPUTER | 0.198 | --- | --- | --- | --- | --- |
| FOOD SECTOR | | | | | | |
| -LIVESTOCK T.T. | 0.270 | 0.255 | 0.295 | 0.250 | 50000 | --- |
| -UNITO FISHERIES | 0.144 | --- | --- | --- | --- | --- |
| -UNITO FOODS | 0.255 | 0.280 | 0.280 | 0.280 | 10000 | --- |
| -KWT POULTRY | 0.350 | 0.335 | 0.335 | 0.335 | 10000 | --- |
| -AGRI.FOOD PRD. | 0.150 | --- | --- | --- | --- | --- |
| NON-KWT SECTOR | | | | | | |
| -BHN.INTER.BK | 0.073 | --- | --- | --- | --- | --- |
| -BHN.N.EAST.BK | 0.053 | 0.053 | 0.053 | 0.053 | 80000 | --- |
| -UNITO.GULF BK | 0.050 | --- | --- | --- | --- | --- |
| -COAST INVEST. | 0.095 | 0.094 | 0.094 | 0.094 | 730000 | --- |
| -A.G.INV.CORP | 0.042 | 0.041 | 0.041 | 0.041 | 80000 | --- |
| -FIRST.GULF BK | 0.870 | --- | --- | --- | --- | --- |
| -B.K.I.G. | 0.097 | --- | --- | --- | --- | --- |
| KUWAIT STOCK EXCHANGE, | | | | | | |
| COMPANIES LISTED ON THE PARALLEL MARKET | | | | | | |
| FINANCIAL SECTOR | P.CLS | LT | NIGN | LOW | VOL | TRAD |
| PEARL INV.CO. | 0.098 | --- | --- | --- | --- | --- |
| GULF INV.CO. | 0.041 | --- | --- | --- | --- | --- |
| GULF INTL INS | 0.000 | --- | --- | --- | --- | --- |
| ARAB INT CO. | 0.055 | --- | --- | --- | --- | --- |
| SHARJAH INS | 0.000 | --- | --- | --- | --- | --- |
| GULF UNION INS | 0.055 | --- | --- | --- | --- | --- |
| INDUSTRIAL SECTOR | | | | | | |
| -GULF MEDICAL | 0.015 | --- | --- | --- | --- | --- |
| -R.K.WHITE CMT | 0.017 | --- | --- | --- | --- | --- |
| -AJMAN CEMENT | 0.007 | --- | --- | --- | --- | --- |
| -FUJAIRAN CEMT | 0.007 | --- | --- | --- | --- | --- |
| -SHARJAH CEMENT | 0.007 | --- | --- | --- | --- | --- |
| -GULF CEMENT | 0.016 | --- | --- | --- | --- | --- |
| -UMM QATAIN | 0.021 | --- | --- | --- | --- | --- |

Gold softens

Central banks steady dollar

LONDON, Dec. 30, (Reuters): The dollar steadied today to trade just above record lows after the US, Japanese and European central banks all intervened to prop it up.

Trading was thin, and few investors or speculators were willing to either buy or sell dollars heavily in the year-end holiday season.

Nor were they eager to do much in stock markets, which generally firmed. Wall Street shares rose about 1.2 per cent with the Dow Jones industrial average up as much as 22.71 points in early trading to a morning high of 1,949.6.

Slowed

The dollar remained below 1.60 West German marks and 124 yen, just above the record lows of 1.5865 marks and 122.75 yen touched earlier this week, even after the central banks of the United States, Japan, West Germany, Switzerland and Italy started buying it up.

"They just slowed people down temporarily for the rest of

the day and rest of the year," a London currency dealer said.

But dealers said the trading slowdown for the end of the year probably did not signal a return of calm to financial markets.

"The market is still targeting a lower dollar, but not today, the treasurer of a major US bank in Frankfurt said.

Despite the way the Federal Reserve joined in the concerted central bank intervention today, dealers wondered how vigorously the United States would be ready to prop the dollar in 1988, a presidential election year.

Rates

Washington was seen as likely to be reluctant to raise interest rates — "even if this means letting the dollar take the strain for a while yet," as one bank economist put it.

Higher interest rates would lure investors to buy dollar assets and so strengthen the dollar, but would add to the dangers of recession posed by the October stock market crash.

A weaker dollar could bite into European and Japanese companies' export earnings — bad news for investors in their shares and for those stock markets.

World stock markets today wound down to year-end and trading was thin. Tokyo has been closed since Monday and is not due to reopen until next Monday. It was the final day of 1987 trading in West Germany, Switzerland, the Netherlands and Spain. All major markets will be closed on Friday.

"Prices on the last trading day are always very cosmetic," said a Frankfurt broker. The 60-share Commerzbank index rose 14 points, or 1.1 per cent, to 1,299.7.

Sell-off

London shares rallied after a sharp sell-off yesterday, with the FTSE 100-share index up as much as 29.9 points, or 1.7 per cent, to a high of 1,760.2. London shares fell 3.4 per cent yesterday, the first trading day after Christmas, with confidence shaken by the dollar's steep falls.

Zurich shares rose, with the All-Swiss index up 7.4 points to 7769.3 — which is 308.4 points below the end-of-1986 level. Belgian shares were mixed, Milan's MIB index rose 0.74 per cent while Norwegian and Swedish shares firmed.

The Paris bourse indicator eased 0.46 per cent.

London brokers cited a somewhat steadier dollar and bargain hunting for today's rally in London Stocks. But they said the big test would come next Monday after the New Year break.

Price

The price of an ounce of gold was fixed in the London market this afternoon at \$484.10 an ounce, down \$2.65 from yesterday's London close.

The pound sterling was worth \$1.8557 at 1200 GMT, down from 1.8585 last night. News that leading indicators of the performance of the US economy fell 1.7 per cent in November had little impact on dollar dealing or stocks.



Money brokers show boredom during lacklustre trading on the Tokyo foreign exchange market yesterday. The dollar ended at 123.50 yen and 1.5940/50 marks against 123.40/50 yen and 1.5940/50 in New York on Tuesday. (Reuters wirephoto)

January seen a crucial month for Opec oil price

LONDON, Dec. 30, (Reuters): Divisions in the Opec organisation threaten a severe test of its ability to maintain oil prices in the early weeks of 1988, market experts said today.

January is normally a month when crude oil demand slips.

The possibility that supply will also surge has increased, traders and analysts said. They cited threats by Saudi Arabia and Indonesia that they, too, could ignore Opec rules unless other members stopped discounting organisation-mandated prices and exceeding output quotas.

Pressure

The discord will "bring a lot of price pressure forward from the end of January to middle and early January," said Humphrey Harrison, analyst at Banque Paribas capital markets in London.

The Organisation of Petroleum Exporting Countries met only two weeks ago to agree on output restraints to underpin an organisation reference price at \$18 a barrel — mindful of how prices crashed as low as \$9 in a 1986 bout of overproduction.

But a senior Saudi oil official told Reuters this week: "If our production fell below our quota, we would assess why, and if it was because someone else was over-producing, then we would assume the agreement is compromised and there is no agreement."

Abdul Rachman Ramly, president of Indonesia's state oil firm Pertamina, meanwhile said Indonesia would not be bound by the agreement if others violated output ceilings or price rules.

Algeria, a traditional Opec hawk whose aim is an eventual price of \$28, also sees a gloomy future for the organisation.

Opec had failed to "take concrete measures against negative phenomena such as over-production by certain member states," Algeria's official APS news agency said on Monday.

The recent Opec ministerial meeting, which ended in Vienna on December 14, only managed to agree to extend into 1988 a price and output package that applied in 1987.

Despite strong pressure from Gulf Arab states, including Saudi Arabia, Iraq was not awarded the production quota equal to Iran's which it sought and was not part of the new pact.

The failure to clinch an effective accord could not have come at a worse time, analysts said. Western demand for Opec oil normally falls by around 1.3 million barrels daily in the first quarter of each year as refiners draw on stocks built up in the autumn and early winter.

Stocks now are above those at the end of 1986 and, although not large, could tip the supply/demand balance against Opec.

Opec has been producing close to 20 million barrels a day, even though its output ceiling is set at 16.6 million.

Some analysts believe companies could draw up to 2.5 million barrels daily from stock, so demand on Opec could be as low as 16 million barrels a day in the first three months of 1988.

What the dollar needs: some peace and quiet

NEW YORK, Dec. 30: Milton Friedman, the Nobel laureate from the Hoover Institution, has a theory about what has happened to the US dollar. In 1985, he says, the dollar started to decline because foreigners were no longer buying dollar investments at a pace that would support the dollar's price. They had adjusted their portfolios, and their need for dollars fell, according to the Wall Street Journal.

"In 1987," he continues, "we had a different situation. Governments adopted the policy of trying to peg the exchange rate. I don't know what the right price of the dollar is, and no one else does either."

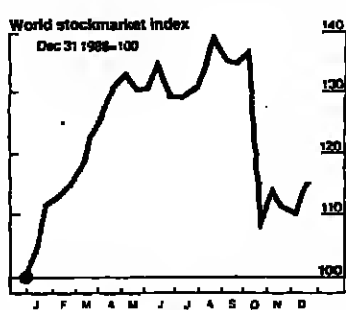
"Governments decided they were smarter than the market. It was price-fixing. Japan and Germany have been buying the dollar. But they aren't fools — not unmitigated ones, anyway. They aren't spending their own money; they're spending their citizens' money."

Rates

Friedman has been advocating floating exchange rates for many years, all through the period when nations, under the post-World War II Bretton Woods agreement, were trying to stabilise exchange rates internationally.

These efforts, of course, are still going strong: the US and its economic allies last week reaffirmed their determination to stabilise the dollar. So it's hardly surprising that Friedman ridicules attempts to find a "proper" level for the dollar and somehow keep it there.

What is moderately surprising is that many other economists



also believe that governments should stop trying to manipulate the dollar and let it find its own level. Some of them think that the dollar, if allowed a little peace and quiet, might stabilise at a point somewhere near its current level.

Others think the dollar would fall a good deal more. This tension, among economists who spend a good deal of time worrying about the dollar, backs up Friedman's point: No one knows the "right" level for the dollar.

James Tobin, a Yale University Nobel prize winner, for instance, says it may take a further 30 per cent drop in the dollar to bring the trade deficit down to anywhere near balance. Martin Feldstein, former head of the President's Council of Economic Advisers, earlier this month said the dollar might drop to 100 yen "within three or four years"; the dollar is trading now at 123.50.

The speculative nature of the dollar market was underscored by the response to Feldstein's remark. Traders recalled Feldstein's former position in the Reagan administration and wondered: Is he speaking for the White House? Does this mean

that the President and Treasury Secretary James Baker are about to embark on another programme of dollar-bashing? The dollar took a tumble.

Information

What the market didn't remember was that Feldstein, while in the administration, was often at odds with it. If Reagan wished to leak such information to the market, he would choose a more congenial channel than Feldstein.

No one is going to stop Tobin. Feldstein or other economists from making forecasts about the dollar or anything else. But forecasts, even by the most distinguished economists, by themselves aren't likely to move markets very much.

What matters is not what the economist knows but whom he knows. If he does have an inside track to the White House, maybe he has been tipped off that the Federal Reserve is planning to buy a few billion dollars.

Maybe he has heard that the reaffirmed stabilisation accord is about to collapse. In such circumstances his words acquire a weight they wouldn't have if they were based on intellect alone.

Policy

In the past year the Reagan administration has switched dollar policy so often that its credibility has suffered. "Every time Jim Baker opens his mouth," says University of Rochester economist Karl Brunner in a bit of overstatement, "policy changes."

In mid-December the White House issued a statement that the US isn't seeking a weaker dollar, and the statement helped the

dollar market temporarily.

After a while, traders decided the statement actually meant that the administration, while it wasn't actively seeking a lower dollar, wouldn't be at all unhappy to see the dollar fall. So the dollar rose, but not by much.

The administration has been trying to reduce US trade deficit by persuading Japan, Germany and other nations to stimulate their economies; the reasoning is that this would increase demand for US exports and thus the demand for dollars. Feldstein thinks the US should let other nations handle their own policies and spend more time on policies at home.

Package

The deficit-reduction package that Congress managed to pass last week gets low marks from many economists; more is surely needed. Runaway budget deficits decrease confidence in the future of the dollar, and thus foreigners' willingness to hold dollar investments.

Many economists argue that the US should rely more on taxes on consumption, such as a national sales tax, less on taxes on investment, such as capital gains taxes.

Allan H. Meltzer of Carnegie-Mellon University says this would help businesses increase productivity.

The dollar should be allowed to find its own level in the market. If speculators wish to continue to operate, let them guess at market factors, not the manipulative measures of government officials.

The result could be pleasantly surprising.

International business in 1987

(Continued from Page 11)

Alan Greenspan succeeded Paul Volcker as chairman of America's Federal Reserve Board. He didn't say the right things before the crash, but did afterwards.

Debt crisis

Banks increased provisions against dicey foreign loans. Citicorp diverted \$3 billion of its profit into a cushion against loan losses, chiefly in Latin America. Other British and American banks followed some cursing quietly.

Brazil stopped servicing its bank debts but later did a deal with banks, which suggested that it would try to catch up on repayments to more than 100 of them. The Paris Club of creditor nations rescheduled \$2 billion of Argentine debt.

Michel Camdessus succeeded Jacques de Larosiere as managing director of the IMF. Gene Rothberg quit as treasurer of the World Bank during a staff shake-up.

Privatisation and flotation

Everybody was privatising. British Airways' shares began

trading at an 84 per cent premium; those in Nippon Telegraph and Telephone made their debut at \$10.500 each, making it the world's largest company market capitalisation; Paribas, a French investment banking group, was almost 38 times oversubscribed.

The crash all but killed new offerings. British Petroleum shares, sold by the British government, left underwriters with a paper loss of more than \$1.17 billion.

The Bank of England acted as long-stop by offering a pre-set floor price, and the Kuwait Investment Office later bought a big stake in BP. Eurotunnel, the project to build a Channel tunnel, raised its finance but its shares went to an immediate, steep discount. The Japanese government's flotation of about \$5 billion-worth of shares in Japan Air Lines took off smoothly.

Mergers and takeovers

A cheaper American dollar produced tempting buys for acquisitive European and Japanese companies. JWP, America's best-known advertising agency, was sold to WPP, a British mark-

eting-services group for \$566m; Blue Arrow, a British employment agency, bought Manpower Services, the world's biggest provider of temporary workers, for \$1.3 billion; and Japan's Sony bought America's CBS Records for \$2 billion.

Cross-border European mergers grew bolder. Sweden's ASEA and Switzerland's Brown Boveri, two heavy engineers, merged most of their operations. British Airways beat Scandinavian's SAS in the battle to buy British Caledonian.

Trade and commodities
America told the GATT that it wants farm subsidies phased out by 2000, but European countries and Japan dithered in the face of their farm lobbies. America imposed punitive 100 per cent tariffs on \$300m-a-year of Japanese electronic exports. The tariffs were cut back as America cleared some Japanese companies of dumping memory chips. America and Europe squabbled over subsidies for Boeing and Airbus Industrie.

The chairman and president of Toshiba Corporation resigned in a row with America over the company's sale to the Soviet

Union of milling machines, which were allegedly used to make quieter propellers for Russian submarines.

The cocoa organisation collapsed. Opec lost its grip on its members and oil prices slid from a summer high of \$21 a barrel to below \$15.

Comings and goings

Glasnost and perestroika became the catchwords for a new look Russia. The Supreme Soviet approved economic reforms to give state businesses more autonomy and a market slant.

Henry Ford II, for 35 years boss of the Ford Motor Company founded by his grandfather, died in Detroit aged 70.

Ivan Bosky, Wall Street's crooked arbitrator turned supergrass, was jailed for three years for insider trading. He tipped off Britain's official gunsmiths about a share-support operation during the takeover by Guinness, a British drinks company, of rival Distillers. Ernest Saunders resigned as Guinness's chairman and was later charged with Companies Act offences, along with others. More arrests are expected.

Cairo and Moscow sign trade accord

CAIRO, Dec. 30, (Reuters): Egypt and the Soviet Union signed a new trade agreement yesterday aimed at doubling trade over the next three years, Egypt's Middle East News Agency (Mena) said.

The 1988-1990 protocol raises the target for bilateral trade to £1 billion from 500 million.

Detailed figures were not given, but trade between Cairo and Moscow is roughly balanced. The Soviet Union mainly exports industrial and farm machinery to Egypt and imports textiles, leather and liquor.

Rate

Egypt has an artificial hook-keeping rate for the pound sterling used in its trade deals with the Soviet Union since the 1950s.

Earlier this month, the government raised the rate to two Egyptian pounds from 1.35 to one sterling as an incentive for more trade between the two countries.

GIC to finance projects in GCC

THE Gulf Investment Corporation is planning to finance several projects in the Gulf Cooperation Council states during 1988, a senior official of the GIC said yesterday.

In an exclusive interview with Kuwait News Agency, Kuna, the GIC's executive vice president, Hisham Razouki said that the corporation will gain profits this year in spite of the crash in international stock markets.

Goals

On GIC's foreign investments, Razouki said that the corporation followed a very conservative policy toward investment abroad, capitalising on diversified and easily liquidated short-term investments.

The Gulf official said GIC aims at being the investment bank of the Arab Gulf region,

indicating, in that respect, that the main goal of GIC are to participate in capital of companies and industrial projects in the GCC countries and to develop the capital market in the region by encouraging establishments to get loans in the form of bonds.

He also added that the corporation aims at developing the issuance of stocks, privatisation and to encourage individuals to participate in economic development projects in the Arab Gulf region.

Role

Razouki noted that the time has come to give the private sector a bigger role to participate in development projects and find diversified investment opportunities through buying shares of governmental establishments.

He said the GIC is also studying the purchase of the existing companies to offer them to subscription. Providing consultancy services to other establishments in addition to evaluating the financial positions of these establishments are also being considered, he added.

Deposits

He said the most important activity of the GIC is financing existing and new projects on commercial bases and on various durations according to the need of each project, noting that the corporation does not participate in a project that does not yield returns.

He pointed out that the GIC deals with deposits and major Gulf currencies in its investment projects.

Farm prospects looking up

WASHINGTON, Dec. 30, (Reuters): US Agriculture Secretary Richard Lyng said yesterday he is upbeat as 1988 approaches, encouraged by stronger US farm exports, lower stocks and production costs, and firming land prices.

But the top US agriculture official said the outlook is clouded by continued financial stress in some regions and costly government farm programmes that require vast stretches of land to be idled.

Prices

And Lyng warned, agriculture's longer term prospects will depend largely on the outcome of thorny global trade talks that have just begun.

Boosted by low US prices and a declining dollar, US exports are forecast to rise over nine per cent

Fresh move to stimulate GCC economic activities

KUWAIT'S Finance Minister Jaseem Al Khorafi has said that the economic statement released at the conclusion of the GCC 8th Summit Conference in Riyadh constituted a fresh impetus for more joint economic work by the GCC citizens, and served to broaden the possibilities of deepening economic ties through the various new measures and fresh economic facilities granted to GCC citizens.

He told the Seyassah newspaper that the GCC financial and economic cooperation committee would meet on Feb 17 and 18 to continue deliberations for reaching a unified customs tariff to be put in effect on the date specified by the Higher GCC council so that the fruits of the overall economic development could be reaped by all GCC countries and citizens.

Invitation

Khorafi will start an official four-day visit to Egypt on Tuesday at the invitation of Egyptian Deputy Premier and Planning Minister Dr Kamal Al Jazouli. Khorafi and his accompanying delegation will hold talks with Egyptian Premier Dr Atef Sedki, Central Bank Governor Dr Salah Hamed and Health Minister Dr Raheeb Dawidar on economic relations and ways of upgrading cooperation between the two countries.

Economic talks

DAMASCUS, Dec. 30, (Kuna): The visiting Bulgarian Trade Minister Khristo Khristov today met with Syrian Premier Mahmoud Al Zo'bi.

During the meeting, they reviewed the existing cooperation between the two countries and accomplishments of the joint Syrian-Bulgarian work committee on the executive programme for developing economic cooperation in various fields.

شركة البترول الوطنية الكويتية ك.س.ك.
KUWAIT NATIONAL PETROLEUM COMPANY K.S.C.

Tenders are invited for the supply of the following:-

| Tender No. | Material | Quantity | Issuing Date | Closing Date |
|------------|--------------------------|----------|--------------|--------------|
| 1/8135/0 | Office Furniture | KD. 2/- | 4-1-1988 | 18-1-1988 |
| 1/7848/0 | Melamine Tables & Chairs | KD. 2/- | 4-1-1988 | 18-1-1988 |

Tender documents can be purchased from the office of the Supdt. Administrative Services, KNPC head office as from 4-1-1988.

Ministry of Interior
Notice of Vacancies

The Ministry of Interior wishes you (both Kuwaitis and non-Kuwaitis) to occupy the following vacant positions in the Administration of Data Processing Centre under the following terms and conditions:

First Positions:

1. Systems Analyst
2. Systems Programmer in the following fields:
 - a) Operating Systems by applying the operational systems (MVS/XA)
 - b) On-line systems by applying data bases of (CICS/VS)
 - c) Communications by applying the programmes (MCCF/NCP/VTAM)
3. Computer Operator

Second General conditions:

1. The applicants for the first position must be graduate in the field of computer with practical experience not less than (2) years in evaluating and pursuing computer applications in addition to planning for future applications together with studying their feasibility.
2. The applicants for the second position must be graduate preferably in the field of electronics computers' science and engineering with practical experience not less than (3) years in the field of the required speciality.
3. The applicants for the third position must have practical experience as computer operator of IBM Systems (4341, 4381, 3081, 3090) and another experience not less than (2) years in applying MVS/XA-VSE/SP-VM/SP Systems; and in addition to that, graduates will be preferred.
4. Good command of English — spoken and written — is a common and essential qualifying condition for occupying any of these vacant positions.
5. Passing the required interviews and set tests is requisite.
6. The picked candidate for any of the said positions will be subject to other legal stipulations of employment.

Third: Submitting applications:
Applications are to be submitted in person to the Personnel and Training Department at Shuwaikh Residential Area on special forms set for this purpose. Documents are to be attached without binding the Ministry to give them back for any reason, whatsoever.

Undersecretary

هكذا صارت الأمور

HUMOUR

Happy New Year

By Keith Wells

Tomorrow's nineteen eighty-eight I must admit I can hardly wait for the end of nasty 87 which had so few of the joys of heaven looking back it was quite a drag tankers flying a foreign flag silkworm missiles zooming in from guys escaped from the loony bin sat in a ditch in the sands of Fao firing the products of Chairman Mao and poor old Pao Am had a bomb thrown to that old fool in Qom who seems to think it's very saintly to kill the innocent while quaintly saying his prayers by night and day then sending his killers on their way.

Yes 87 was quite a flop even the stock market had a drop that turned my savings into ashes

we don't want more stock market crashes
In eighty-eight I'd like to see a hefty pay rise for you and me an end to wars and Ayatollahs no more drooping US dollars health and wealth and peace to you let's put the bombers in a zoo And when it comes to playing cricket don't let them fight between the wicket and let our captain Mr. Pottino forget the curses and keep on batting ignore the umpires' silly tricks or elout them round the head for six.

So all the best for eighty eight I hope your salary's never late, may you never suffer the deathly pallor of hearing the words, 'Boukra inshallah'

I wish you safety on the road and pray no lorry drop its load of airconditioners on your head for if it did you'd be quite dead and never get to leave Kuwait since for eternity you'd have to wait in the cemetery at Suleibiya which is even worse than Abbasiya. May KTV stop all our pain and put on Chart Attack again, and cut out cutting out the kissing so we can see what we've been missing when those couples leap apart in the midst of matters of the heart.

May nineteen eighty-eight be better a little cooler, a little wetter, may all fierce enemies join hand even the sawfays and sultans so everyone in the united nations becomes each other's bilateral relation.

Express it in words

New Year's Greetings

To John Lobo,
You being one of best parts of my life & proving worthy of my love
Happy New Year.
Rosy Lobo.

Dearest Helen D'Souza,
Heaps of Christmas greetings loads of New Year luck with wishful rose just for you.
(An affectionate)

Happy New Year to the staff of the Arab Times. Hoping 88 is as special for you, as you made 87 for me.
Thanks,
Jackie.

Happy New Year with blessings to Mr Mihal and all the staff of HPC from Mohammad Selim.

1987 was great hope 1988 will be even better. Best wishes for the New Year to all my friends.
H. Smith.

To my friends/well wishers, Greetings & best wishes for a happy and prosperous 1988.
Syed Satar
Photo & Cine equipment Co., Ltd
Kuwait.

Gargi Mukherjee,
Welcome back! Best wishes for New Year and hope everything works out for both of us.
Siva.

Happy New Year to Makabatal - Mojahed from Mahmood - T.V.

To Miss Samina A.G.
I'm glad I met you this year - could I see you again in '88. It would make a Happy New Year.
from Mr Saraj.

We wish a Happy New Year to our staff, our manager and proprietor of Foto Fast Arauf and Shahid.

Wacky, wacky, of so very wacky, unpredictable, its just a wish mash.
D

Happy New Year to Shloos Gulf Flower from Pratapji Bhatia and Ghlab Chand Rajanora, Kuwait.

Best wishes and a Happy New Year to Mohammed Kashif and family from Mohammed Ashraf Nadeem. 1988 will be even better.

Nothing to write home about in 1987 perhaps you'll hear from me in 1988. Happy New Year Mom & Dad.
Smith.

Rob Baker wishes Jillian, Dave, Keith and supporters of Kuwait's No 1 Kart racing team. "All the best for 1988".

1987 has come and gone and I'm still in Kuwait. Happy New Year to all my friends.
P.L.S.
Indira Siri.

Princess Huda,
Our first New Year together, and my loves grows. From my heart to yours, I love you.
Nedal.

Mom and Chris,
A long distance Happy New Year from Kuwait all my love.
Jackie.

Hoping your new year finds you far from here somewhere near the bay where dreams come true, they say

Nidal and Abeer Tebawi,
Happy New Year with love from your Baba, Mama, Micky and Mimi.

Mrs. B. Bhutto - Zardari. May all your troubles be little ones.
Z. U. Huq.

Happy New Year to all our friends and feathered friends. Rafi, Ghazala and parrots.

Mr Kuldeep Singh Lamba, we wish you and your family a very Happy and prosperous New Year. Pali, Jolly, Kapoor, Rasi

Butterfly Maioush & family, have a wonderful new year! lots of love, aloush!

Mom, Dad, Mariam, Laila, Abdullah. I love you all very much. Happy New Year! Love your son, Ali!

Ron, thank you for '87 here's to a happy '88. Ann with love.

Mr Nageen Kumar and family, may every happiness be yours in the New Year. Darshan Kumar.

Someone very special and dear. May your coming year be filled with happiness. Niru.

Darling Shaun, welcome back on this new years day. Happy New Year son. God bless. Your loving Dad Willie.

Happy '1988' to all! God grant peace in world! Convert the cruels. R.D. R. Fernandes/Silver Star Int'l Trdg. Est.

The wonderful nada hoping all your dreams come true in 1988. Bash.

All my colleagues at the A.T. Thank you for bearing with me. Ghazala A.

G.S. K.W. T.J. G.A. J.F. F.A. J.W. L.K. B.A. and others - do one thing - have one on me. K.Y.M.R.K.A.

Sidra, Madhina and Ahmed. Don't do anything you're uncle wouldn't do.
Y.M. Khadi.

Dearest Maria. Wishing you a very happy New Year and a hearty welcome to Kuwait. With love
Mum, Dad, Francis.

Dearest Dadima, may the 'Newyear' bring you all the happiness, incessant love, prosperity. Thank you for sharing this day with us.
Cookie, Juju.

My near and dear ones. Greetings for a very happy New Year. Khalish Hyderabad, general secretary.
Hala Shaoore Adab Kuwait.

Happy New Year. Suhail, Zahid, Mamu, Mr. Ishaq & Family, Mr. Hamed & Family, Mr. Saleem & Family, Mr. A. Azam & family.
Nasir.

SHIVI, Munna, Sumar, Prishu, Gayatri, Happy New Year.

Vijay Beena Radhika Sarika

WISHING my friends and relatives Happy New Year. Praying to Almighty to bestow everlasting prosperity and peace in this world.
Jamil David (Jack) Marivanids, Trivandrum.

Wishing Sufr. Joni, Asha, Prem & all friends in Kuwait. A very happy & prosperous new year 1988 with health, wealth & happiness.
Siraj & Repon

Robert Martis, Best wishes for 1988 & the future. One of your beloved girl-friend.

My Dear clients and friends, A very happy and prosperous New Year.
Mohammed Khalifa Hussain Ali.

My Dear Clients and Friends, A very happy and prosperous New Year.
Munawwar Mirza, Videographer.

My dear Friends and Relatives, a very happy and prosperous New Year.
Khalid Mahmood, press secretary, Pakistan Youth Association, Kuwait.

All my dear friends and relatives a very happy and prosperous New Year.
Dolly, Nazneen and Kally Kudaji Salimiyah, Kuwait.

Ambili. May your each moments be filled with joy & happiness. Happy New Year darling.
E.Y. Ajayan

Best wishes for a bright and prosperous New Year to Mr Shige/Yamamoto/Tajika and all the staff of Az-Zour Gas Turbine Project.
S.M. Arif & Mrs. M.A. Zeenath Arif.

Mr A. Zaman Chowdhury (Manju) Mr. Helal & your room mates, Sawkat Tailoring House, Near Foto Fast, Kuwait city, May Allah provide yours splendid opportunity in forthcoming happy New Year 1988. Wellwisher, Masruzzaman Chowdhury & Ashuk Ahmed Chowdhury.

Happy New Year to Karyn, Stevy, Chris, Jo, Loraine, Indrani, Edward, Edmond, Sarjick, Sami, Robert, Owen, Jamil & Nasir.
Suhail

Happy New Year to all Pakistanis & our friends.
Iqbal Anjum, Big Boos

Happy New Year to all my friends and relations in Kuwait.
S. Nyamthulla.

Happy New Year to the Red Sea divers.
Walleja.

Happy New Year to Ghazala and Rafi's Parrots. Repeat: Happy New Year Happy New Year.

Happy 1988, No. 25317 from No. 87308315.

Happy New Year, Mom and Dad.
From Barbara in beautiful Kuwait.

Happy New Year, Sheza. Keep up the good work at school.
Barbara.

Happy New Year to all of my family and friends especially my loving wife and sons.
Zia Rahman.

Either you love me or you hate me. I'll still be around in '88. Happy New Year.
Zahur

To cross eyes, from money penny. I know you Love the both of me.

Keith Wells
Thank you for the exposure. May it be as vibrant in '88
Sahna Abassey

Sylvester & Cynthia
True love is yours for between the hours candles must be lit so the pair is a fit
Sally

Happy New Year mishy poos. from all the patients to be. D

Amees - Ajulah,
Happy New Year & the future is ours. Juna - Iru.

My dear Lily,
Wishing you good luck and a Happy New Year. Zafar (Arab Times).

Dearest Mom, brothers, sisters, relatives and friends. Compliments of seasons and Happy New Year. With love Casmir John Fernandes.

Mrs Romola Lopez.
Happy New Year and God bless. Your loving husband Melroy.

Yalda, Yusra & Reem, Happy New Year with love. Shahida.

It easier to mention things that mean a lot to me. that's why it feels so natural to take this time to say you always very special. love Allen.

Mr Tarek Al-Makki - May every day you spend bring all the happiness. "Happy New Year." Love, Lilibeth L. Reyes.

Family members, friends, clients, We wish you a prosperous New Year 1988. Kevin Figueira family Tel. 2406822.

Olga, Sasha and Dejan best wishes in New Year. Slobodan Jovanovic.

My dearest husband Agnello & Sons, wishing you all a Happy New Year. Neeta Fernandes.

Darling Judy, welcome back. Happy New Year and happy birthday too. Fondest love from your ever loving husband Willie.

Tarig and Farzana lots of love and best wishes. Shabana.

Mr & Mrs Vincent Fernandes, Jennice Jude & Desmond - Happy New Year Javed.

All Photo & Cine staff. A very Happy New Year. Rashore.

My husband Sadeq, Wishing lots of happiness for our future together. Your wife Krystyna.

Didi, Veer Ji, Diana and Anita wishing every day special of the Happy New Year. Rupinder.

Evon Fernandes Asst. Personnel. Messiah Beach Hotel. Wish New Year will turn your life in to a happiest day. - Rakib.

Happy New Year To Adel Video and Mr Aqbal Littaf. From Ahmed Ali Kuwait.

To Esther Williams, Thanks for the reliant three wheeler turbo, I think I will get used to the bright purple colour in 88. From David Isopon.

Jaun, Let us fill our lives with happiness in the New Year. Mon.

Smile please if you're going to Idaho

By Peter Tormey

BOISE, Idaho: People going to Pocatello should be sure to wear a smile because it's illegal to frown, grimace, scowl and have any facial expression that reflects unfavourably upon the residents of the eastern Idaho town.

Those convicted of the ordinance, enacted in 1948, are required to go to the nearest "smileage station" and surrender a sufficient amount of "smiles" and/or broad grins as are commensurate with his or her offense," the law reads.

"These actions reflect unfavourably upon the reputation of Pocatello, the friendly city, and are hereby declared illegal... and will be replaced immediately with happy, beaming, smiling, countenances," the law states.

Idaho attorney general Jim Jones, who lives in Boise, said the law sounds like a good piece of legislation, but wonders - with tongue firmly planted in cheek - if it infringes upon constitutional rights of freedom of expression.

Jones said the question of whether the freedom of expression includes the freedom of facial expression is a legal quagmire of sorts.

"What about the guy who is pleasant but temporarily has his lip turned down?" questions Jones.

"Or what about the guy with a crocodile grin who intends harm but is actually grinning. You get into the question that a smile in one person's opinion might not be a smile in another's."

Jones, whose smile stretched from ear-to-ear, said he thinks there should be various grades of the offense.

"Some people have a hard enough time smiling so by just getting their lips even they might personally consider it to be a smile," he quipped.

But Pocatello Mayor Dick Finlayson said the law is no laughing matter for offenders.

"We really enforce it," Finlayson said as he harboured a facial expression that bordered on a smile. "If we catch people, we shoot 'em."

Finlayson said he asked George Phillips, the city's mayor at the time the ordinance was enacted, what prompted the legislation.

Phillips told him that the city had just endured one of its worst winters over, snow piled to the top of the stop signs, with frowns, scowls and grimaces being the predominant expressions all winter long.

"So in the spring Phillips said, 'We had such a bad winter, let's pass this law,'" Finlayson said.

Finlayson said a few of the council members supported the law for a different reason.

"The story goes that the councilmen went down to the bank for a personal loan and the bankers scowled at them," Finlayson said. "So they said 'Let's pass this law and make it illegal'."

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Finlayson said his office has been besieged with letters and telephone calls in the weeks since the existence of the ordinance was made public nationwide in a full-page advertisement in Money magazine last month.

The ad, placed by the American Bankers Association based in Washington, D.C., was titled "Ludicrous laws" and condemns what it terms outdated laws that regulate the banking industry.

The city of Pocatello proclaimed the week of Dec 1 "American Bankers and Pocatello smile week," Finlayson said.

One person who dislikes it is Lisa Reese, a freshman psychology major at Idaho State University in Pocatello.

"I think it's a dumb law," Reese said. "People should be able to smile or not smile."

But Suzanne Burton, a reporter at a Pocatello radio station, thinks the law should remain on the books.

"I approve of it wholeheartedly," My philosophy is that if you smile a lot, people think you know what you are doing and I think that is a good philosophy for Pocatello."

The lighter side of world news

By Penny Nelson Bartholomew

WASHINGTON (UPI): "Oliemania" swept the USA last summer.

At the heart of it all was former White House aide Lt Col Oliver North, a central figure in the Iran-Contra scandal. For six days in July, he testified on live television before Congress and, if the figures reported by Washington postal authorities are right, got more mail than Santa Claus.

American entrepreneurs quickly cashed in on "Oliemania." There were Ollie North T-shirts, buttons, a colouring book, and even a line of men's underwear with the slogan "America's behind you Ollie" across the back.

Washington - A bar on Capitol Hill celebrated the superpower summit with a Raisa Gorbachev look-alike contest.

Hundreds of onlookers and a number of French, German and Japanese TV crews watched as seven contestants, two of them women, strutted their stuff. Event organizer James Lovell said a State Department official phoned him before the contest to delicately express the hope the winner be a woman.

It wasn't. Rick Latham of Springfield, Virginia, won the contest.

New York - One week before the summit, NBC broadcast Soviet leader Mikhail Gorbachev's first one-on-one American TV interview. The program prompted a flood of calls from children upset that their favourite show, "Ali," was pre-empted.

Orlando, Florida - Two police officers thought Vice-president George Bush would get a kick out of seeing his boss controlling traffic. So as the vice-president's motorcade passed by, they donned Ronald Reagan masks.

The police chief was not amused. It's not known if Bush saw the prank.

Petaluma, California - getting shot six times in the head can be a real pain in the neck. Just ask James Sexton. A gunman fired six bullets into his skull last month.

The attack left Sexton with a stiff neck. Doctors say the slugs lodged in Sexton's head should not cause any problems, although they might set off airpion metal detectors.

Washington - Federal officials say such incidents are rare. It's not known if they've changed their minds after learning that, within three days last month, two homes were bombed by ice from leaky airplane toilets.

The attacks took place in Centerville, Virginia, and Fort Worth, Texas.

No one was hurt.

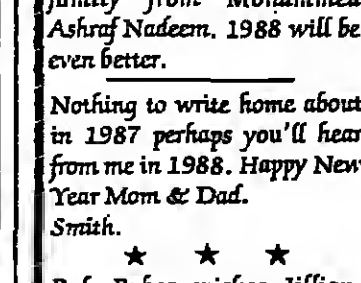
Naperville, Illinois - Two skydivers were charged with reckless conduct after accidentally dropping a pumpkin during a Halloween free fall.

The pumpkin plummeted through the roof of a home 50 miles (80 km) west of Chicago. No one was hurt.

Tacoma, Washington - A man spent Thanksgiving in jail after allegedly assaulting his girlfriend with a 21-pound turkey.

Police say the weapon was not confiscated because it was roasting in the oven.

Rockford, Illinois - The golf partners of police officer Marlin Peterson didn't seem to mind when he played six holes wearing only his shirt and shoes last June.



The Art Buchwald Column

Pillow talk

"For one thing she wouldn't let me know if she was coming to tea or not. I had egg on my face when I couldn't tell the press what time she was arriving."

"You know how Russians are when it comes to their tea."

"That's the point. When she came she didn't want tea, she wanted coffee. I had to go out in the kitchen and make a fresh pot."

"It doesn't matter. We signed an intermediate-range missile treaty. I never thought the Russians would do it."

Nancy said, "I knew you'd take her side instead of mine."

"You're overreacting, Nancy."

"You don't know about the tour of the White House I gave her with the TV cameras covering us."

"How could Raisa upstage you in your own house?"

eried. "And every time I told her an historical fact about the White House she topped me with two I didn't know. I'm sure the KGB briefed her on every piece of furniture on the ground floor."

Ronnie acted shocked. "I didn't know this or I would have demanded a 50 per cent reduction in Soviet conventional forces."

"You're just saying that because you want to go to sleep," Nancy said, punching her pillow again.

"Look, when we go to Moscow you can get back at her. You can be late for tea and we'll get the CIA to help you bone up on the Kremlin so you know more than Raisa does."

"Suppose she doesn't invite me to visit the Kremlin? Are you still going to sign a long-range missile treaty?"

"Probably not," Ronald said.

"You're just saying that so I'll shut up."

1987, Los Angeles Times Syndicate

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From the Arab Times Staff.

ARAB TIMES Classified MARKET PLACE

ACCOMMODATION

Wanted

JULEEB Al Shiyooh, near super market. Independent room required for a lady to share with a family. Rent offered KD 25. Tele. Mr. Sampath, 4613233, 9:30 am - 3 pm.

FARWANIYA, independent room for one Goan bachelor. Tele. 2445511.

SHARO, Shamiya, Keifan or City area. One bedroom flat with living room, bathroom and kitchen for a Bangladeshi Muslim couple. Tele. Mr. Syed, 240 5127.

For Rent

SALWA, near Kuwait English School, deluxe, CAC, new apartments consisting of 3 bedrooms, living and dining area, 2 bathrooms, large kitchen and balcony. Rent KD320. Tele. 5391720, 5392783.

BENIED Al Qer. Fully furnished ground floor flat, 2 bedrooms, dining and drawing room with tele. Available from 12.88. Contents of flat for sale. Rent KD190. Tele. 2543326.

FOR RENT

Part Villas

Flats Offices

Excellent condition with 2-3-4 bedrooms with dining room, Saloon, Telephone, Garden, Car parking space, Servant's quarters with Central Airconditioning. Contact

Qatar Real Estate

2408862, 2408893

For Investment

An import and export establishment looking for agents — on commission or contract basis.

Please call tel. 5933999

Available

FAIHA (near cooperative) Two rooms with kitchen for families or working girls. Tele. Mr. Javadi, 2546022, 2546213, 2546413, 8 am - 2 pm.

KUWAIT City, Opp. G.P.O. One room with water, electricity and tele. for working girls or small family. Rent KD35 each. Tele. Mr. Gaikwad, 2415728, 3 - 11 pm.

SALMIYA, to share a 2 bedroom fully furnished CAC flat with tele. for one European or American lady. Tele. 2415604, 8 am - 12 noon, 5626250, 2 - 5 pm, 6 - 10 pm.

SALWA, House 196, Block 7, (behind Iran shop) Two rooms with kitchen, water and electricity for family/bachelors to share with another bachelor. Rent KD 50, 30 Tele. 5611243.

SHAMIYA, one CAC room, with a meal, for two Indian bachelors to share with another Indian bachelor. Rent KD55. Tele. 5612336, 10 am - 12 noon only.

KEIFAN, Block 5, Street 56, House 4 (near Aslam Saloon). Rooms for families. Tele. Ijaz Hussain, 4830694.

FOR SALE

Computers

APPLE, Compatible 64K, 2 disk drives, joystick, mouse, Hi-res mono monitor, 80-Col printer. KD180. Tele. 5733780 except mornings.

EDUCATIONAL micro (computer) trainer for children, with 10 learning activities in one. KD10 only. Tele. 4740848, after 4 pm.

Cars

MITSUBISHI Colt GLX 1985, manual, (S-speed) hatchback, 4 doors, white, AC, radio, cassette, 47,000 kms, well-maintained, KD850. Tele. 3715354 after 4 pm.

TOYOTA Cressida GL 1985, AC, automatic, beige, reg. upto Dec 1988, in excellent condition, KD2000. Tele. Hilary 5629563, 2-3:30 pm, 7:30 pm on wards.

JAGUAR XJ6, 1979, no engine, needs new blue book. KD 150. Tele. 3947564, 3:30 - 7 pm.

NISSAN Laurel 1983, 8 cylinder, in excellent condition. KD 900, ono. Tele. 2409080, 2429302.

BUICK Le Sabra Dec 81, AC, automatic, registered upto Dec 88, with all options, in excellent condition. Tele. 4891758.

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Miscellaneous

SOFA set, carpets and curtains, 3 children's beds with wardrobes, washing machine, dryer, electric refrigerator, KD 800. Tele. Mr. Robby, 4743152, 7 am - 3 pm, 5388647, 4 - 6 pm.

WASHING machine, dryer, electric cooker, fridge/freezer, AC, dining table, wardrobe, antenna, rotator with cables, carpets and drapes with rails. Tele. Mansell, 4835218, 8 am - 2:30 pm.

POWER tools, 2 Hilti drills, nail fixing pistol, electric megger, hydraulic cutter, 110 volts drills. Tele. 2641624, during office hours.

SALMIYA (behind Indian Junior School), 2 bedroom flat with tele. and furniture for sale. Rent KD130. Tele. 5611139 after 2 pm.

AMPLIFIER for musical instruments, one Roland Jazz/Chorus 50 (lightly used), one Guyatona No. 21p-601 (brand new). Tele. Mamoun 5719024.

SMALL eiza, mink, black jacket, KD150, blue buckskin and fox pelisse, KD350, motorbike brand new 50cc. KD100. Tele. 3940527, Ext. 5202.

Furniture

COMPLETE set of quality furniture for a one-bedroom flat, KD 1000. Tele. 3947564, time 3:30 - 7 pm.

LOST

DOG, Old, small, brown, almost blind, long haired mongrel, named Rafus, is not likely to harm anyone. Lost in Mishrif, Area 1. Tele. 5391674.

NAME CHANGE

I, Leopoldina Mendes, holder of Indian passport No. X 173359 declare that hereafter my name will be Mrs. Leopoldina Salvador Mendes.

SERVICES

Tuition

ALL subjects for primary classes, by an Indian School (Kuwait) teacher. Flat 23, Faiha Store, Building No. 1740-1/1813, opposite Jaumea Video or Al Abeer Nursery, Abbasiya.

PRE-SCHOOL and nursery education for children 2-1/2 years old and above, given by a qualified and experienced teacher in Fahsheel. Tele. 3927875, 8 am - 7 pm.

Transport

REQUIRED from Salmiya to Kuwait, Muthanna Complex, 8:30 am, 12:30 pm, 4 pm, 8 pm. Tele. Mr. Hadi, 4835205, 4843118.

REQUIRED for two ladies from Abbasiya to Shuwaikh, Arab Times office, at 10:30 am, return at 7 pm. (Thursday holiday). Working Friday. Tele. 4813566, ext. 287, 11 am - 7 pm.

SITUATIONS

Vacant

MAID required, Filipino, full-time. Must have experience in cooking. Immediate transferable visa. Tele. 3918859.

MAINTENANCE

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Wanted

CIVIL engineer, young Lebanese, with bachelor degree in Civil Engineering with Lebanese driving licence, speaks Arabic and English, seeks position. Tele. 5319688, 5385075.

MICRO computer operator, experienced in Lotus/Wordstar/developing application programmes in DBase III Cobol, Basic and also well-versed in all office work, seeks job. Tele. 5635286.

MAID required, Filipino, for an English family, to live-in. Must have a transferable visa. Tele. 2618882.

MAID required, for a family with-out children, for housekeeping, part-time (6 days) in Surra. Must speak fluent English. Tele. 5313724, after 6 pm.

MAID required for a Keralite family with one child. To live-in in Hilton area. Must have a transferable residence. Tele. 2548938, after 4:30 pm, or any time on Thursday, Friday.

NANNY required to take care of a baby. To live-in. Must be experienced with children. Speak English fluently and have transferable residence. Tele. 2530000, ext. 415, 10 am - 12 noon, 5 - 7 pm.

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MAID required, Filipino, for an English family, to live-in. Must have a transferable visa. Tele. 2618882.

MAID required, for a family with-out children, for housekeeping, part-time (6 days) in Surra. Must speak fluent English. Tele. 5313724, after 6 pm.

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CRICKET RETAINS NO. 1 SPOT AMONG EXPATRIATES

Kuwait's soccer squad nears its goal

By Yawar Maqsood
Sports Editor

KUWAIT'S triumphs on the soccer field and superb organisation of international events will remain the enduring sporting memory of 1987.

For the first time in nearly five years, the Kuwait national soccer team seemed to have regained the brilliance which took it into the World Cup finals in 1982.

With the first round of the qualifiers for the 1988 Olympics completed, Kuwait was happily placed at the top of their group which includes Iraq, Saudi Arabia and Qatar.

Kuwait were held to a goalless draw in Qatar but beat the toughest teams, Saudi Arabia and Iraq, in their home-leg games. With three more games to come, including a home tie against Qatar, Kuwait is expected to take its place at the Seoul Games barring a sudden loss of form by the national team.

Appointment

The turn in Kuwait soccer team's fortunes seems to have come through the appointment of Sheikh Fahd Al Ahmed, the chairman of the Olympic Council of Asia, as the president of the Kuwait Football Association.

It was Sheikh Fahd who guided the soccer team to the 1982 World Cup finals and with him back at the helm of affairs, Kuwait's fortunes seem on the rise.

While the soccer team was engaged in trying to regain its lost glory, Kuwait earned a lot of praise for its excellent organisation of three international events.

The first of these events, the Kuwait International Rally, was organised in March and won by Qatar's Saeed Al Hajri. The rally which had been dropped in 1985 because of some sloppy organisation in 1984 earned good marks this year and the organisers were hoping to improve on this performance in the coming year.

Kuwait's handling of the Asian Volleyball Championships proved to the world that it was ready to organise bigger events. The organisers were commended for their efforts by the president of the International



All Al Bloushi (right) won the gold medal for Kuwait.

Volleyball Federation and also by all the heads of delegation which took part in the event.

Not only did Kuwait do well in organising this event, it also qualified for the playoffs for the 1988 Olympics by finishing fourth after Japan, China and South Korea.

As the year ended, Kuwait did a marvellous job at organising the 13th Asian Boxing Championship. The president of the International Boxing Federation, Anwar Choudhry, said that Kuwait had proved that it was ready to host even bigger events.

Kuwait also won a gold medal and a silver at the event.

Kuwait's riders carried on where they left last year and enhanced their reputation on the international scene.

Jamila Al Mutawa was named the Best Arab Rider at the Dubai Horse Show. She won the Dubai Television Stakes and was second in the Port Rashid Authority Stakes.

Captured

Jamila's sister, Nadia, brought home two medals more by finishing second in two events — the Etienne Stakes and Dunhill Cup. The Etienne Stakes was won by Kuwait's Rakad Al Thafiri. He also finished first in the Emirates Golf Club Stakes. In the same event, young Nadir Ibrahim topped the Junior News Stakes.

Jamila did quite well on the local scene also by winning the Amir's Cup. Nadia finished second in the same event. Lamya Al Issa scored a victory in the Dunhill Showjumping Competition.

On the athletics track, Kuwait did not fare very well. It won only one medal at the Asian Track and Field Championship — a silver through Jasim Al Duwella in the 400 metres hurdles. Jasir later won a bronze in the Arab Athletics Championships in Algeria.

Ghanim Gohar, however, captured a gold medal in the Arab meet in the javelin throw. Also at the same meeting, Mohammed Zankawi, Riyadh Abdullah and Smeh Farhan won bronze medals.

Kuwait's tennis players

proved that they were the best in the region when they won both the titles in the open and under-14 category at the GCC Tennis Championship after a close competition with Bahrain.

Kazmah Soccer Club added to Kuwait's victories by finishing first in the GCC Soccer Clubs Championship while Hahih Ahmed Saleh got a gold medal at the World Fencing Challenge for the handicapped.

On the local soccer scene, Kazmah saw its Kuwait Soccer League title for the 1986-87 season snatched away in the same year by Al Ahli when the Kuwait Football Federation decided to finish the 1987-88 season by November to give enough time to the national team to practice for the Seoul Games qualifiers.

Remained

Among the expatriates, cricket remained the most popular sport. More than 40 tournaments were still being held while some of the finals for the 1986-87 tournaments were held late this year.

In the finals held this year various trophies were won by the following:

Gulf Bank Trophy 1986-87 — Starlite; Malhotra Trophy — Kifco; Burgan Bank Trophy 1986-87 — Unity; GCC Trophy 1986-87 — Evergreen who also retained the trophy this year; Bawa Shield — BKME; Kifco



Rising Stars won the Mitsubishi Galant Trophy. They also won the Ida Ferns Memorial tournament.



Children perform one of the routines at the start of the Asian Boxing Championship.

Trophy — Evergreen; Jinnah Trophy — Unity; Capri Trophy — Funjah; Pat Keeley Trophy — Evergreen; Rahman Trophy — Hubara; Champions Trophy — Evergreen; Zarqa Trophy — Starlite; Winner's Cup — Capri; Rising Star Trophy — Colts; Speedbird Trophy — Great Britain; Hawalli Cricket League Trophy — Friends; Pirelli Challenge Cup — Kuwait XI; President's Trophy — Evergreen and Four-a-side Tournament — Evergreen.

On the golf course, Fathi Al Khadra became the first Kuwaiti to win the Kuwait Golf Championship. In some of the other golf tournaments, K.H. Chung finished first in the Stahleford Competition, Jeong Sool Meng won the Al Farsi Trophy, and Stephen Waters captured the Sheikh Sabah Trophy.

Major

The Filipinos, who have become a major sports force in Kuwait, staged their annual tournaments again this year. The format for the games was however changed this year. Unlike the previous years, when all the sports were held all at once, the events were scattered all over the year.

The Filipino basketball tournament sparked the most interest with KPBC emerging as champions after a close fight with EET and Meridian who were second and third respectively. The

were donated by the Arab Times. In the other Filipino events, the following emerged winners:

Bowling — Al Ghanim took the men's title while National Cleaning — Mobil Oil won the women's title.

Chess, tennis and darts tournaments were all won by EET.

The Arab Times, meanwhile, took a big step towards sponsoring big events by holding the First Kuwait Annual Offshore Powerboat Race. The race, which was somewhat marred by the strong winds on the day of the competition, attracted a lot of interest and will probably attract a higher entry in the coming year.

A raft race was also held this year. It attracted over 30 entries and more than 4,000 spectators. The race was won by the Harriers.

On the Kart track, Rob Baker remained as brilliant as ever and proved that the other drivers will have to come up with something extraordinary if they are to stop him from taking the National's Driver's Championship.

Baker has so far scored easy wins in four rounds of the event and seems to be cruising towards the title. The only time that Baker lost this year was in the Enduro, for the Ahmadi Drivers' Challenge Cup, which was won by Eric Andrews.

On the football scene, Incredible won the first tournament of the year by beating Goan Sporting to win the Youth Centre Football Trophy for the 1986-87 season.

In the other tournaments, Rising Stars won the Mitsubishi Galant Soccer Tournament. Incredible took the United Goans Trophy, Rising Stars captured the Ida Ferns Memorial Trophy and Goa Maroons lifted the Salceis Gold Cup.

Unlucky

The Kuwait Nomads, meanwhile, celebrated their 40th year of rugby in Kuwait by winning the Middle East XV-a-Side tournament in Bahrain. They were unlucky in the Rugby Sevens in Dubai, where they lost in the final, after a closely fought match, to the host team.

Although Kuwait has done well in 1987 compared to the last five years, it has the potential to do better in 1988. It still needs to evaluate the status of the games and to plan well ahead so that it does not suffer another decline. The sports movement in Kuwait has certainly regained its momentum but it is still far from the top. 1988 will probably determine how far, along this road of success, it can go.



The Filipino basketball tournament sparked the most interest in that community.



An action shot of Kuwait's qualifier against Iraq.



The Evergreen squad which won the most number of cricket trophies.

1987: an eventful year for Kuwait's motorsport

By Gail Seery

1987 has been an eventful year for the KT Club Autosports association, and saw their return to the international rally scene after a year's absence from the Middle East Championship. Interest in the sport has undoubtedly been reviving in Kuwait, and an increasing number of new drivers have again been attracted to rallies. Local sponsors have responded to an extent, and we look forward to a more active new season.

1987 has also been a time of transition and growth, and leaves the association poised for change, having hopefully learnt from many of the mistakes of the last few years. The name and logo are in the process of changing, as is the committee itself, and more emphasis is to be placed on attaining some sort of corporate identity.

The outgoing chairman was forced to step down after an increasing amount of pressure from rank and file members, and

Ahmed Al Hilal, who is also the reigning drivers champion has taken his place, a step which the voting figures themselves showed to be eminently popular. He is ably supported on the committee by Ottomar Lange, Ghazi Al Zafiri, Wael Khoury and Imad Mahdi Habib.

Al Hilal won the drivers championship, with a very steady and laudatory approach. His De-hatsu Charade simply does not have the power of the group B rally cars it competes with, and an outright win in an event proved unattainable.

In fact Ahmed Al Hilal took his victory by steadily finishing with a good result in the first round, he came in second to rival Ahmed Al Zafiri, dropped to sixth place in the second round of the season, and was the second Kuwaiti entrant home in March's Kuwait International. Again, he took third place in the fourth and fifth rounds of the Championship, and finished 21 points ahead of his nearest challenger, Ahmed Al Zafiri.

Hilal's co-driver Fahad Al



Tareq Al Wazzan: makes a comeback

Rashed took the navigator's title by a comfortable margin. The pair took the championship for the second year running, showing again that a measured approach gets results, and that it can be better to finish, than to push too hard.

Ahmed Al Zafiri had a mixed season. He took a characteristically impressive 1st place in the first round, but he was unable to start the International, and didn't finish the final round.

The last round of the season had the highest number of drivers ever, with a good number of newcomers, but the established drivers, who might have posed a threat to Al Hilal, didn't compete in all five rounds. Lange took victory in the second round, but was post-excluded from the International, and didn't compete during the remainder of the season. Tareq Al Wazzan, now jointly sponsored by Marlboro and Arab Times, made what he described as "a very long comeback", finally getting his car ready in time for the night rally, which was the fourth round of the championship. He won that event, and came second in

the final round, which brought him to eleventh place after only two events. Again, Eid Falah Al Farzan didn't get a realistically high result in any round, and didn't drive in the night rally. He came in 7th in the International Rally, after an event in which he was plagued with problems.

Rewarding

The new season will see all these drivers going out for a victory in the local championship, and should certainly be a rewarding series of events to watch. Co-driver Khalid Khalifa came second in the Navigators' Championship, having split his time this season between Eid Falah and Tareq Al Wazzan. Third was Mohammed Al Zaid, co-driver to the consistently well placed Ali Birami. One problem that currently faces Kuwait's drivers is a shortage of good navigators; one local driver who has solved this is Tareq Alyan, who now drives with wife Khuloud Alyan as co-driver.

The new season opens with its first rally on January 15, with the second event being the Kuwait International Rally, a two day event, to be held on March 17

and 18. The third event will be held on April 15. The committee has many more ideas to take them into what they hope will be a new era of rallying in Kuwait. They are hoping to hold a rally school, and will certainly be having club evenings in an attempt to give the club a more cohesive identity.

1987 also saw the inauguration of a new type of rally series, the Marlboro Desert Challenge, which fittingly, considering that it was Kuwait which held the first ever Middle East Rally, kicked off with the BP Jeep Rally in Kuwait on October 16. This was open to non-B seeded drivers, and Gulf residents, and was initially envisaged as a low-cost form of rallying.

In many ways the Kuwait event was an experimental event which was not entirely successful. However, it did see an exciting contest develop between Ahmed Al Hilal, driving a works prepared Mitsubishi Pajero, and Eid Falah driving a standard Range Rover.

Mitsubishi were later criticised for coming into the challenge with a vehicle which effectively

reproduced the conditions of the Middle East Championship, a series which no driver who is not in a fully works prepared and supported specialist rally car can hope to win. However, the Range Rover ran only 14 seconds behind the first of the Pajeros, and a full 3 minutes 17 seconds ahead of the second, driven by Ibrahim Mattar, the Bahrain Champion.

Tony Jakeman of Mitsubishi explained later that the jeeps concerned were old, and not the top standard Pajeros which would be used in say, the Paris-Dakar event. However, this suggests that Mitsubishi expected to get their win in Kuwait easily, and that they perhaps underestimated the quality of the competition.

It has to be added that many of Kuwait's better drivers did not have the confidence in the series to spend the money required to prepare an adequate vehicle.

The event was expected to be widely attended by drivers throughout the Gulf, but opposition from the Al Nassr Club in Dubai was strong, and the expected participation of Ahmed



Ahmed Al Hilal (right) and Al Rashed: excellent performance in the Jeep Rally.



Tareq Al Alyan: performed well in Challenge Series.

Khalifa, Suhail Khalifa and Michel Saleh proved a false hope.

The second event was held in Bahrain on December 18, and the Kuwaiti teams were out in force, as it looked like a strong possibility that a Kuwait team would be able to claim the Challenge prize. A total of seven Kuwaiti entrants went — easily the highest number to compete in an overseas event at one time.

The hopeful drivers were: Ahmed Al Hilal, Eid Falah, Tareq Alyan, Tareq Al Wazzan, Mubarak Al Omar, Ahmed Al Zafiri, and newcomer Fuad Al Rashed.

The Kuwait drivers put up a remarkable performance. Four of them finished among the top six. Al Wazzan was a little unlucky to finish second, after Qatari Abbas Al Mousawi.

Al Hilal secured the third position in Bahrain. Eid Falah came fourth and Tareq Alyan sixth. After three rounds of the Challenge series, Kuwaitis occupied the top three positions. Al Hilal was in first place. Alyan was lying second and Falah third.

With the last round to be held in Jordan, the Kuwaiti drivers are now poised to take the top honours.

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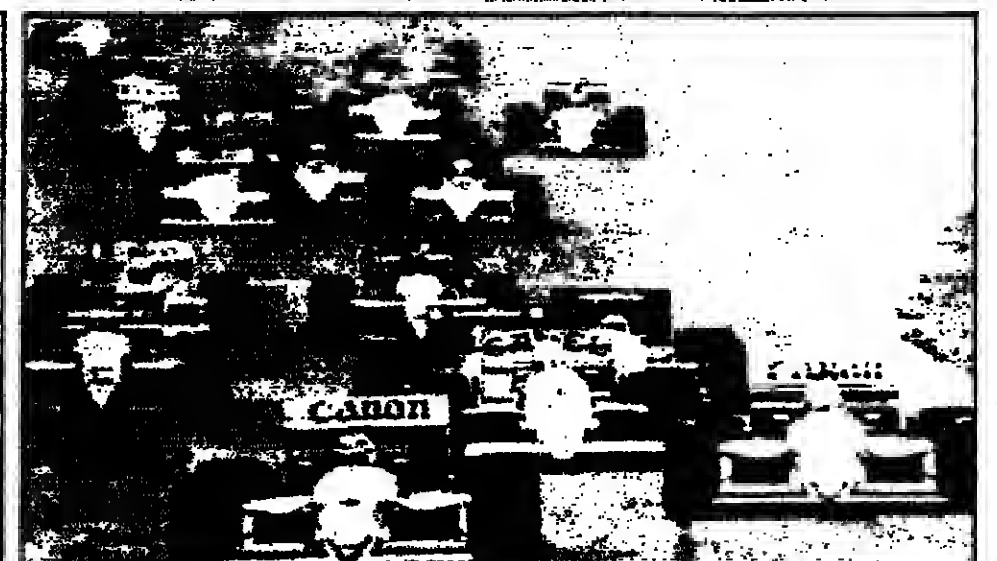
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European team captain Tony Jacklin is 'crowned' by his team after winning the Ryder Cup.



Australian cricket captain Allan Border collects the Reliance World Cup trophy.



Piquet (leading) won the Formula One drivers' title for the third time.

UGLY DISEASE OF CROWD HOOLIGANISM SPREADS ACROSS EUROPE

Johnson's astonishing run highlights 1987 sporting year

LONDON, (Reuters) Few sporting clashes have been more keenly awaited than the 100 metres showdown between Ben Johnson and Carl Lewis at the Rome World Athletics Championships last August.

And none can ever have exceeded expectations to the same extent as the confrontation spurred Johnson to a feat that shod head and shoulders above any other in the 1987 year in sport.

Established
Johnson not only won the contest to find the world's fastest man, but also smashed the world record by a phenomenal 0.10 of a second.

The powerful Canadian demolished the lisson Lewis, quadruple Olympic gold medalist, in a time of 9.83 seconds. Lewis equalled the previous record of 9.93 but finished a metre behind.

Twelve minutes later, Bulgaria's Stefka Kostadinova soared through the warm night air almost unnoticed to break her own world women's high jump record and after only two days' competition the second World Championships were firmly established as 1987's premier sporting event.

Johnson's incandescent performance highlighted a special year in athletics.

The gifted Moroccan Said Aouita became the first man to run under 13 minutes for the 5,000 metres taking the world title with consummate ease.

And American Jackie Joyner-Kersey proved indisputably she is the greatest all-round women's athlete in the world, ending the season with the world heptathlon record and world championship.

But the euphoria after Johnson's win was not to last. Within 24 hours, Lewis was telling anyone who cared to listen that all was far from well.

"I feel a strange air at these championships," he told a television interviewer. "A lot of people have come from nowhere and are running unbelievably. There are gold medals at the meet already that are on drugs."

Lewis' accusations haunted the rest of the sporting year.

An Australian women's javelin thrower Sue Howland was banned from the World Championships after a positive test and Swiss 1,500 metres women's bronze medalist Sandra Gasser was banned for two years after failing a dope test.

But use of banned drugs was only one of many negative aspects of a turbulent year in which controversy blighted nearly all major sports.

Disease
There was little on-field soccer news in the lull after last year's World Cup but the ugly disease of crowd hooliganism continued to spread across Europe.

In Scotland, four players were charged with criminal offences after a violent Glasgow match between Rangers and Celtic.

In the Netherlands, a European Championship qualifying tie against Cyprus was halted for an hour after a firework was thrown on the pitch, injuring the Cypriot goalkeeper.

And in the Soviet Union, police watched helplessly as rival gangs armed with bricks, rocks and clubs battled on a railway station.

Acrimony dogged Formula



Johnson (right) outclassed Lewis on his way to the 100 metres world record.



Aouita indicates that he is number one in the world after breaking the 13-minute barrier.

player died in a brawl during a club match.

And cricket, long associated with sportsmanship, showed its dark side when a squabble between England captain Mike Gatting and a Pakistani umpire almost wrecked England's tour there.

But thankfully some sports remained free from controversy. Jahangir Khan, unbeaten for five-and-a-half years on the squash court, relinquished the number one spot to 19-year-old Jansher Khan. By year's end, Jansher had taken his win tally to seven straight over his fellow-Pakistani.

Pirmin Zurbriggen became only the second man after France's Jean-Claude Killy to win four World Cup Alpine skiing titles in a season dominated by the Swiss.

But as the new season opened with skiers looking to the Winter Olympics, an Italian paramilitary policeman stole the limelight.

Alberto Tomba, nicknamed 'The Beast' because of his aggressive style, won four successive races and looked certain to star in Calgary.

Maintained
The sporting year had a sparkling start as Dennis Conner's Stars and Stripes won the America's Cup for the San Diego Yacht Club by 4-0 against Australian defender Kookaburra III.

Golf was one sport which maintained its high standards.

Europe's Ryder Cup team stunned the Americans in Muirfield Village, Ohio, by retaining their title.

Europe's team were ecstatic, the United States were shattered.

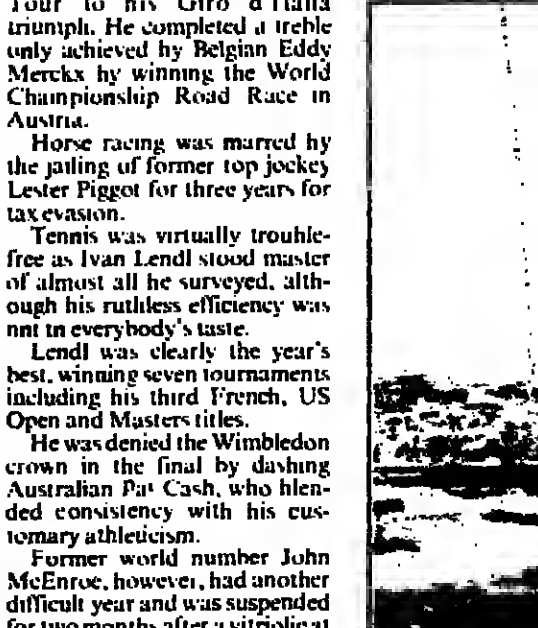
But non-playing American captain Jack Nicklaus recovered almost instantly to offer his congratulations as tears fell unashamedly from golfers and spectators alike.



Tyson was crowned undisputed world champion after winning the WBC, WBA and IBF titles.



Gatting (left) and Pakistani umpire Shakoor Rana were involved in a squabble which shook the cricket world.



A fan waves an American flag as the Stars and Stripes is towed for the race in which it won the America's Cup.



Lendl remained undisputed king of tennis but lost the Wimbledon final to Cash.



Graf replaced Navratilova as women's world No. 1.



Leonard terminated Hagler's seven-year reign as middleweight champion.



Jansher (right) beat Jahangir seven times this year to become world No. 1.

SPORTS BRIEFS

Squash rankings

LONDON, Dec 30. (Reuters): Jansher Khan ended Jahangir Khan's six-year reign as the world's leading squash player when he took over at the top of the latest rankings issued by the International Squash Players' Association today. Jahangir, five times world champion, was dethroned by fellow-Pakistani Jansher for the first time since taking the top ranking of January 1, 1982.

World Series

MELBOURNE, Dec 30. (Reuters): Australia replaced leg-spinner Peter Sleep with off-spinner Peter Taylor in their 12-man squad for the World Series Cup starting on January 2.

Norwich manager

LONDON, Dec 30. (Reuters): English First Division club Norwich City today confirmed Dave Stringer as their new manager. Stringer has been manager in a caretaker role since Ken Brown was dismissed in November.

Terry Fenwick

LONDON, Dec 30. (Reuters): Former England defender Terry Fenwick agreed to leave Queen's Park Rangers and sign for Tottenham in a £550,000 (\$1.02 million) transfer deal today.

Alpine skiing

BOLZANO, Italy, Dec 30. (AP): A men's downhill and a super-G, cancelled for lack of snow in Garmisch, West Germany, have been rescheduled in the French resort of Val d'Isere on Jan 9-10, the president of the World Cup Alpine skiing said today.

Seoul medals

SEOUL, South Korea, Dec 30. (AP): The Seoul Olympic Organising Committee displayed today samples of medals to be awarded to the top placers at next year's Seoul Olympics.

Top contender

LOUISVILLE, Ky., Dec 30. (Reuters): Claiborne Farm's Forty Niner, top contender for the US two-year-old thoroughbred championship, leads a handful of candidates nominated for the 1988 Kentucky Derby, Preakness and Belmont Stakes. Triple Crown Productions said yesterday.

Yacht race

SYDNEY, Dec 30. (Reuters): Australian maxi yacht Sovereign became the fifth boat in the 43-year history of the Sydney to Hobart race to win both line and handicap honours today.

Nelson Piquet

RIO DE JANEIRO, Dec 30. (Reuters): Brazil has named two of its top race tracks after three-time world Formula One champion Nelson Piquet, government sources said yesterday.

NBA games

NEW YORK, Dec 30. (Reuters): Results of National Basketball Association (NBA) games played yesterday (only games scheduled):

| | | | |
|-----------|-----|------------|-----|
| Milwaukee | 106 | New Jersey | 88 |
| Houston | 101 | Detroit | 91 |
| New York | 123 | Portland | 117 |
| Atlanta | 108 | Chicago | 98 |
| Dallas | 126 | Kings | 117 |
| Utah | 98 | Denver | 97 |
| Lakers | 131 | 76ers | 114 |



Latif: all-round performance

Paradise beat Eleven Stars

PARADISE Cricket Club beat Eleven Stars Cricket Club by 99 runs in a Quaid-e-Millat Trophy match at the Airport ground earlier this week.

Batting first, Paradise scored 181 for the loss of seven wickets. Latif was the highest scorer with 75 runs. Maqsood hit 25, Nasir 21 and Anwar 20.

Unbeaten

In reply, Eleven Stars were all out for 82. Feroz with 21 and Aslam with an unbeaten 13 were the only batsmen to reach the double figures.

Latif, after performing well with the bat, excelled with the ball by capturing five wickets. Khalid supported him with four scalps.

BORDER & CO. CLINCH TEST SERIES

Australia hold out against Hadlee onslaught

MELBOURNE, Dec 30. (Reuters): Australia's last pair held out for four overs in the face of a rampant Richard Hadlee to draw the third and final Test against New Zealand today and win the series 1-0.

Australia, set 247 to win after dismissing New Zealand for 286 in the first over today, finished on 230 for nine, giving Allan Border his first series success as Australian captain.

Australia had appeared well set for victory when Border took them to within 100 runs of the required total for the loss of three wickets.

Doubt But the dismissal of the Australian left-hander, lbw to Hadlee for 43, sowed doubt amongst his teammates. Wickets fell steadily and the New Zealand fielders closed in.

Hadlee took five wickets for the 32nd time in his Test career, moving alongside England's Ian Botham as the most successful bowler in Test history with the dismissal of Tony Dodemaide, the ninth Australian to be dismissed.

The 36-year-old medium-pace bowler set to take a record 374th Test scalp as number 11 Mike Whitney joined Craig McDermott at the wicket.

With the score on 227 for nine, Australia were still 20 runs away from victory and the two decided

to play for a draw.

Hadlee and fellow-pace man Dany Morrison, making every ball count, caused both men frequent appeals for lbw went unanswered.

Whitney, playing his first test for six years in Australia, was left to face the last over from Hadlee as 21,000 Australian fans hardly dared to look.

But Whitney was up to the task, punching the air with joy as he kept out the last ball. Hadlee, later named Man of the Match and Man of the Series, was the first to congratulate him and the two left the pitch arm in arm.

Hadlee finished with five for 65. After his five wickets in the first innings he became the first bowler to capture 10 or more wickets in a Test eight times.

Until today Border had not won a series, and only five Tests, since taking over from a fearful Kim Hughes after the second Test against the West Indies in 1984-85.

Australia won the first Test in Brisbane by nine wickets and drew the second in Adelaide.

Another victory had seemed almost a foregone conclusion at lunch when Australia, having ridden their luck, were 52 for one with David Boon 24 not out.

Boon and Geoff Marsh were dropped in the slips by the Crowe brothers before Marsh was dis-



Hadlee: equals Botham's record

missed for 23, caught by John Bracewell at second slip off Hadlee.

Dean Jones survived his normal torrid welcome from Hadlee but then fell to the gentle medium pace of Ewen Chatfield, becoming the 37-year-old bowler's first

victim of the series when he was caught close in for eight.

Border looked uncomfortable but Boon was in fine fettle, hitting Morrison for consecutive fours to bring up his 50. He tried for a third in the same over, mistimed his drive and Martin

Crowe took his second catch of the day. Boon hit 54.

The pattern of Australia losing a wicket just when they were in control continued with Border's dismissal. Waugh was next to go for 10 with the score on 176.

Peter Sleep and Mike Veletta took the attack to New Zealand, hitting several crisp boundaries, before Sleep fell lbw to Hadlee for 20.

With the score still on 209 Veletta was seventh out for 39, well caught by Dipak Patel off John Bracewell. Defeat was suddenly more likely than victory.

Greg Dyer, no stranger to controversy in this match, was the cause of further disbelief among the New Zealanders when they claimed a catch off the batsman's glove. As Dyer rubbed his chest, umpire Tony Crafter gave him not out.

A few balls later Dyer was gone anyway, caught by wicket-keeper Ian Smith—who struggled through the day with a broken finger—off Hadlee for four.

Tony Dodemaide and McDermott added 11 before McDermott departed, setting the scene for the final nail-biting act.

Scoreboard

NEW ZEALAND first innings 317 (J. Wright 99, M. Crowe 82, C. McDermott 56 for 97, M. Whitney 4 for 92).

AUSTRALIA first innings 357 (P.

Sleep 90, R. Hadlee five for 109)

NEW ZEALAND second innings

(overnight 285 for nine)

P. Horne c Boon b Dodemaide 27

J. Wright b Sleep 43

A. Jones run out 20

M. Crowe c Border b Dodemaide 79

D. Jones c Boon b Sleep 25

R. Hadlee lbw b Sleep 38

P. Sleep c Dyer b Dodemaide 29

J. Bracewell c Veletta b Dodemaide 12

I. Smith c Dyer b Dodemaide 0

D. Morrison b Dodemaide 0

E. Chatfield not out 11

Extras (b-2 lb-8 nb-1) 11

Total 286

Wicketfalls: 1-73 2-76 3-158 4-178

5-220 6-272 7-272 8-281 9-285

Bowling: McDermott 10-1-43-0

(1nb), Whitney 20-5-45-0

Dodemaide 28-3-10-58-6, Sleep 26-5-

107-3, Jones 8-3-23-0

AUSTRALIA second innings

G. Marsh c Bracewell b Hadlee 23

D. Boon c M. Crowe b Morrison 54

D. Jones c M. Crowe b Chatfield 8

A. Border lbw b Hadlee 43

M. Veletta c Patel b Bracewell 39

S. Waugh c Patel b Chatfield 10

P. Sleep lbw b Hadlee 20

G. Dyer c Smith b Hadlee 4

A. Dodemaide lbw b Hadlee 3

C. McDermott not out 10

M. Whitney not out 2

Extras (b-1 lb-9 nb-4) 14

Total (for nine wickets) 230

Wicketfalls: 1-45 2-59 3-103 4-147

5-176 6-209 7-209 8-216 9-227

Bowling: Hadlee 31-9-67-5 (3ab),

Morrison 16-2-54-1 (1nb), Chatfield

21-6-41-2, Bracewell 24-5-58-1

Result—match drawn

First Test—Australia won by nine

wickets

Second Test—Drawn

Australia win series 1-0

Pakistan officials plead with Imran to return

LAHORE, Pakistan, Dec 30. (Reuters): Pakistan cricket officials have made another plea to former captain Imran Khan to come out of retirement and lead the side on the forthcoming tour of the West Indies.

Imran, who quit international cricket after leading Pakistan in the recent World Cup, has previously resisted appeals from officials and fans to stay on as captain.

Jaz Butt, secretary of the Pakistan Cricket Board (PCB), said a formal request had been made to Imran to change his decision following a statement by his successor, Javed Miandad, that he wanted to give up the captaincy.

Promised

There was no immediate comment from Imran, but Butt said the 35-year-old allrounder had promised to "think over the matter."

"If Imran reconsiders his decision and leads the Pakistan side to the West Indies, it will be a great service to the game of cricket in Pakistan and to the young and upcoming cricketers of the country," he said.

Miandad, who led Pakistan to 1-0 victory in the three-Test



Imran: has resisted appeals so far

home series against England after the World Cup, said last week he wanted to give up the captaincy to concentrate on his batting.

Pakistan will play three Test matches and five one-day internationals in their eight-week tour which begins on March 5.

Derlin overcomes Davis

WELLINGTON, Dec 30. (Reuters): Eighth seed Marty Davis of the United States fell to lowly-ranked New Zealander Bruce Derlin in the second round of the New Zealand Grand Prix tennis tournament here today.

Derlin, with a world ranking of 205, beat Davis 6-4 3-6 9-7 in three hours after adapting better

to the strong winds which have affected the \$150,000 contest since it began on Monday.

Fourth seed Andrei Chesnokov of the Soviet Union was in trouble early against Australian Brod Dyke but recovered to win another three hour match 5-7 6-2 6-4.

PSG remain on Cruyff's trail

PARIS, Dec 30. (Reuters): Paris Saint-Germain hope to lure Dutch soccer legend Johan Cruyff to France as their new coach, club president Francis Borrelli said today.

In an interview with the French sports daily Le Sport, Borrelli said he had been unable to contact Cruyff because the Dutchman was on holiday.

"He will be back at the end of the month. At that point events could take a favourable turn," Borrelli said.

Ishtiaq Hussain Shah (right), winner of the Al Adan Open tennis tournament receives his prize from the president of the Al Adan Tennis Club, Dr Faisal. Ishtiaq beat Enmad Mahmouda 6-3 7-5 in the final. This tournament is held annually at the Al Adan Hospital tennis courts.



Ishtiaq Hussain Shah (right), winner of the Al Adan Open tennis tournament receives his prize from the president of the Al Adan Tennis Club, Dr Faisal. Ishtiaq beat Enmad Mahmouda 6-3 7-5 in the final. This tournament is held annually at the Al Adan Hospital tennis courts.

Vengsarkar breaks bone after hitting ton

CALCUTTA, Dec 30. (Reuters): India's captain Dilip Vengsarkar completed his second series hundred against West Indies today but was then ruled out of the remainder of the third Test when fast bowler Winston Davis broke a bone in his left hand.

At the close of the fourth day India were on 521 for seven in reply to West Indies' first innings total of 530 for five declared.

Expected Vengsarkar, who retired hurt on 102, the same score he made in the first Test, is expected to be out for two weeks which means he will miss three one-day internationals and may be unavailable for the fourth and final Test starting in Madras on January 11.

The match came alive briefly in the morning when Vengsarkar lost Mohammed Azharuddin to one run added to India's overnight total of 304 for three. Courtney Walsh made the breakthrough with the help of a superb diving catch at forward short leg by Gus Logie.



Vengsarkar: injured

Azharuddin, who hit eight fours in his 60, survived two confident appeals for his dismissal on Monday, decisions that led to a bitter row between umpire Pilo Reporter and West Indian captain Viv Richards.

An Indian official said Richards had abused Reporter for turning down the appeals and according to a source the Indian board will make an official complaint to their West Indian counterparts.

In the event Azharuddin's departure did little damage to the Indian cause with Ravi Shastri, under pressure to score runs, making an impressive 47 out of a fifth-wicket stand of 98.

Shastri was particularly severe on Walsh, whose eight overs during the day cost 49 runs. Davis bowled a sledgehammer line to remove Shastri, playing down the wrong line, and Kapil Dev who looked unhappy to be given out lbw by Reporter for four.

Vengsarkar kept going to reach his 17th Test hundred with 11 fours with a single off Clyde Butts but was then felled by Davis as he failed to pull away in time from a sharply rising ball. "He has fractured his left hand and will be out of cricket for at least two weeks," said Indian team manager G.S. Ramchand.

Muddy start for Paris-Dakar Rally

PARIS, Dec 30. (Reuters): The Paris-Dakar motor rally, which takes cars, trucks and motor bikes along a 13,000-km trek through the hithering heat of the Sahara Desert, began today in the mud of northern France.

Some 602 vehicles took part in a prologue to the marathon rally. Held around a muddy 4.5 km circuit at Cergy-Pontoise, northwest of Paris, it was in sharp contrast to the searing desert heat that awaits competitors.

Belgian Guy Huynen, riding a Suzuki, won the motorcycle section in four minutes 25 seconds as

dozens of his fellow riders slithered and crashed in the deep mud.

Frenchman Pierre Lartigue driving a four-wheel drive Mitsubishi Pajero won the car and truck section in four minutes and two seconds, 29 seconds ahead of compatriot Raoul Raymond in a Range Rover.

Leave

The drivers, accompanied by a massive team of back-up vehicles, leave the southern French port of Sete on January 1 for Algiers to start a 20-day trek through Algeria, Niger, Mali,

Mauritania and Senegal.

The Sahara Desert is known to take a heavy toll on drivers, and several have died in the 10-year history of the race. It is common place for drivers to go missing for several days in the uninhabited regions of the Algerian Sahara.

The 1988 course takes drivers through eastern Algeria, close to the borders of Tunisia and Libya.

The race attracts the world's top rally drivers and, this year, they are joined by eight former Formula One racing drivers, including Jacques Laffite, Jacky Ickx and Clay Regazzoni.

Paraguay names new coach

ASUNCION, Dec 30. (Reuters): Paraguay has appointed a new national soccer team coach for the qualifying rounds for the 1990 World Cup. Jesus Pallares, president of the Paraguayan Football League, said yesterday.

He said Juan Angel Romero, 51, would start work next month to prepare a team for South American Group Two qualifying matches against Colombia and Ecuador in 1988.

The winners of the group will face the winners of play-offs between Australasian countries and Israel.

Forest's youngsters chase high-flying Liverpool

LONDON, Dec 30. (AP): While Liverpool's star-studded team hurtles towards an expected ninth English soccer title in 13 seasons, a line-up of less familiar names has taken up the challenge of stopping the mighty Merseyside club.

Although Liverpool holds a ten-point lead atop the standings, second placed Nottingham Forest, which has replaced Arsenal as closest challenger, reckons it could soon be snapping at the high-flying leader's heels.

Consecutive

Managed by Brian Clough, who guided Forest to success in consecutive years in the European Champions' Cup eight years ago, the team of youngsters from central England has overtaken mightier sides such as Arsenal, Manchester United and Everton, to challenge the leader.

Forest now has a game in hand on Liverpool and still has to play the Merseysiders twice.

A glance at the Forest line-up would suggest, however, that the challenger does not have the pedigree to stay the course.

While Liverpool's team is bulging with high-priced stars, including five players who have cost £4.7 million (\$8.7 million) in the past ten months, Forest's is a team of comparative nobodies.



Gaynor (right): being congratulated by his team-mates after scoring against Coventry.

Take away midfielder Neil Webb and left-back Stuart, who recently have fought their way into the England line-up, and striker Nigel Clough, the manager's son, and the team is made

up of young players who are just making the grade in Division One.

Most, like teenagers: Steve Chettle, Terry Wilson, Lee Glover and Phil Starbuck and

20-year-old Des Walker and Franz Carr, have graduated through Forest's youth teams.

Last summer, Clough surprised observers when he jettisoned established stars such as Chris

Fairclough, Dutchman Johnny Meigod, Ian Bowyer and Garry Birtles. Dipping cagily into the transfer market, he came up with central defender Colin Foster, a £50,000 (\$92,000) buy from Fourth Division Orient and Tommy Gaynor, who cost £25,000 (\$46,000).

On Monday Gaynor, who struggled to get a place in Third Division Doncaster Rovers, lined up, scored twice as Forest whipped FA (Football Association) cup holder Coventry City 4-1.

The colourful, often outspoken Clough, sometimes is criticised for not giving sufficient praise to his own team.

After Monday's come-from-behind victory, however, he admitted that even the championship sides he had led had not given him as great a thrill as the present squad.

"I have been associated with some genuinely good sides in my time. But I don't think any of them compare with this one," Clough said.

"Their honesty and commitment shows itself all the time. If it hadn't been for Coventry, we would have been beaten."

"We always knew we had some outstanding youngsters and it is extremely satisfying to see them develop together in the First Division," he said.